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DRUGS AND TERRORISM, 1984

HEARING

BEFORE THE

SUBCOMMITTEE ON
ALCOHOLISM AND DRUG ABUSE

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

INVESTIGATION OF THE LINK BETWEEN DRUGS AND TERRORISM

AUGUST 2, 1984

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DRUGS AND TERRORISM, 1984

THURSDAY, AUGUST 2, 1984

U.S. SENATE,
SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:38 a.m., in room SD-106, Dirksen Senate Office Building, Senator Paula Hawkins (chairman of the subcommittee) presiding.

Present: Senators Hawkins and Thurmond.

OPENING STATEMENT OF SENATOR HAWKINS

Senator HAWKINS. Good morning.

Today we will investigate the link between drugs and terrorism. For too long we have been fooling ourselves. Here in the United States where we live within the best protected borders on Earth, we have, over the years, developed a number of dangerous misconceptions regarding terrorism: One, that somehow Americans are immune. Terrorism always happens over there, always involves someone else.

Here are some numbers. In 1982, terrorist activity against U.S. targets was up 60 percent. U.S. targets—that is, American companies. That is, American people; 385 acts of terror against America in 1982, including 7 assassinations, 6 kidnappings, 160 bombings of U.S. property. There was a firebomb attack against an American soft drink plant in Colombia, and an attempting bombing of the U.S. Embassy in the Dominican Republic.

What happened in 1983? More people were killed or injured by terrorists than any year since countries started keeping records, more than 500 attacks, and Americans were the target of more than 200. The stark reality, the grief, the tragedy, the sheer horror were brought home most vividly on two occasions last year: First, at the bombing of our Embassy in Beirut on April 18, 47 people died; and then it all came back again like a horrible nightmare on October 23 when a suicide squad of terrorists smashed through the gates of the Marine compound at Beirut Airport and killed more than 200 American servicemen as they slept.

Clearly, terrorism has hit Americans.

Misconception No. 2: The portrait of the financially poor, ideologically pure terrorist, this is nonsense. Terrorism has become a big business. It is estimated, just to give you an example, that it costs the Red Brigades upwards of $250,000 to carry out one kidnapping. Consider the costs. Cars must be rented. Communications gear must be bought. Kidnappers have to shadow their victim for

weeks to learn when he is alone, where he is most vulnerable. This requires that they travel as near as possible to the victim's social set, eating, dressing, and behaving so as not to call attention to themselves.

The money comes from various sources. Libya's Qaddafi has been called the Lloyd's of London of terrorism. The rest of the money has come until just recently from bank robbery and ransoms from kidnapping. Then, in the early '70's, the international terrorist community struck on a brilliant, new quick-buck scheme. Drug sales. It was a natural.

As terrorism expert, Michael Ledeen of the Georgetown Center for Strategic and International Studies said in a recent article:

> Running drugs is one sure way to make big money in a hurry. Moreover, the directions of the flow are ideologically attractive. Drugs go to the bourgeois countries where they corrupt and where they kill, while the arms go to pro-Communist terrorist groups in the Third World.

It has worked like a charm.

In Colombia, the FARC and the M–19, in Peru the Shining Path, the Communist terrorists in Malaysia and Burma, all are today heavily financed by the sale of illegal narcotics.

The high schooler or junior high schooler who lights up a joint between classes, the businessman or railroad engineer who takes a snort at lunch, the 20-year-old junkie who sticks a knife in your back as you walk away from the 24-hour teller machine and then crawls off to some abandoned building to shoot up. As I said, it is working like a charm.

We have done more than just let down our shield. We are sharpening their sword, and at the same time, drawing a bull's eye on our hearts. We are struck from within; we are struck from without, as we continue unwittingly to fill the coffers of those who would seek to destroy our way of life.

The evidence has been lying around for at least the last 10 years. It has just been a matter of someone paying attention. The weapons assembled here today have been seized or are identical to those seized from terrorists and narcotics traffickers. They demonstrate that narcoterrorism poses a real threat to the security and the stability of all nations, including the United States.

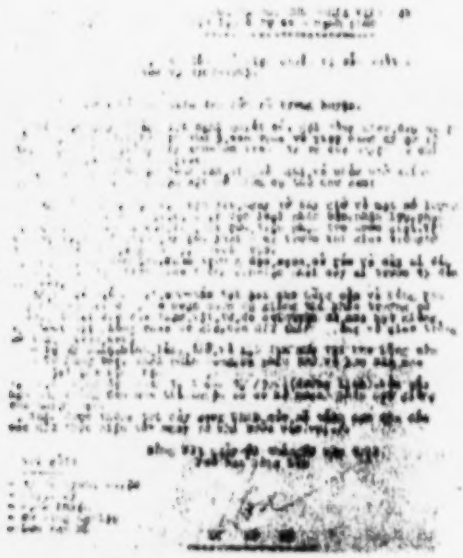
I would particularly like to thank the Government of Thailand and the Bureau of Alcohol, Tobacco and Fire Arms for making these weapons available for our hearing today. Many had been seized by the Thais during their military operations against Khun Sah, the heroin warlord in Northern Thailand and Burma.

We will hear today of Bulgaria's KDS directive which stated that narcotics would be used to destabilize NATO's easternmost flank. We will hear of State-sponsored programs like the one described in this article reprinted in the Vietnamese refugee publication, Thuc Tinh. This is a Vietnamese refugee publication, and it states:

> This circular clearly states that in order to carry out the decisions reached at the 12th Congress of the Dong Won District People's Council, session, 1982, regarding the increase of areas used for poppy cultivation in 19 villages of the district as directed by the province, each village has to urgently prepare fertilizers, till the land in order to be ready for the upcoming poppy cultivation. The People's Council of each village is urged to encourage its people to be prepared in order to perform well once the cultivation begins. During meetings aimed at mobilizing manpower, the cadres in charge declared that the Central Committee of the Party had decided in

1982 to increase the area of aerable land used for poppy cultivation in order to produce opium. The opium is then sold to the government so that the government could use it to acquire foreign currency to solve the country's economic problems. Wherever soil conditions favor, the people have to grow poppy collectively or individually.

[The article referred to follows:]



Đây là toàn văn bản «Thông tri đôn đốc về việc chuẩn bị sản xuất anh-túc vụ 1982—1983»

UBND Huyện Đồng-Văn
Ban Nông-Lâm nghiệp

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT-NAM
Độc-Lập — Tự Do — Hạnh phúc

Số 11 TT/SN *Thông tri đôn đốc về việc chuẩn bị sản xuất anh túc vụ 1982—1983*

Kính gửi : Ủy ban nhân dân các xã trong huyện ,

Để thực hiện tháng lợi nghị quyết của Hội đồng nhân dan huyện Đồng-Văn khoa XII kỳ họp thu 3 năm 1982 về việc đăng ký mở rộng diện tích gieo trồng cây anh-túc trong 19 xã của huyện và chỉ tiêu kế hoạch của tỉnh giao .

Ban Nông Lâm huyện Đồng-Văn đề nghị và nhắc nhở chính quyền các xã trong huyện một số điểm cụ thể như sau :

1) Gấp rút chuẩn bị phân tro tử bay giờ về mặt số lượng và chất lượng. Có kế hoạch u ky các loại phân bắc, phân lợn, phân có, các loại phân tro nầy đều phải ủ kỹ trước khi gieo trồng từ 15 ngày đến một tháng để thật hoai mục .

2) Thu ngô đến đâu, khẩn trương don sạch cỏ rác và cày ải đến đây . Tất cả diện tích gieo trong anh-tục phải cày ải trước 15 đến 20 ngày .

3) Đã có giống hạt anh-túc tại hai kho Lũng Cam và Đồng-Văn, yêu cầu xã nào chưa có hoặc chưa đủ giống thì khẩn trương cử người lên hai kho của trạm vật tư đã nói trên để mua giống anh-tục (hạt giống chưa có giá, các hợp tác xã thiếu giống đem về gieo trồng, sẽ thanh toan sau.)

Từ Tả Phìn, Sung Lủng trở về khu Nam mua tại kho Lũng-Cẩm

- Từ Lũng Táp, Thái Phìn Tủng, Tả Phìn trở về khu Bắc mua tại kho Đồng-Văn

Hạn cuối cùng đến ngày 10 tháng 10/1982 (dương lịch) Nếu qua hạn nay không đến mua thì huyện sẽ có kế hoạch phân hạt giống cho huyện ban Nhận được thông tri này mong UBND các xã tích cực đôn đốc các HTX thực hiện tốt ngay từ khi bước vào vụ

Đồng Văn ngày 10 tháng 10 năm 1982
Phó Ban Nông Lâm : Ký tên Ly Xi Pó

*Nơi gửi : 19 xã trong huyện * Huyện Ủy*
*UBND huyện * Sở nông nghiệp * Lưu ban N1*

THUC TINH 30

Copies sent to the 19 villages of the district
Members of the District Committee
People's Council of the District
Agricultural Office

Made at Dong Van on the 10th of October 1983.
The Assistant Director of Agriculture and Forestry
signed: Ly Ti To

Translated by Nguyen Hoa, Descriptive Cataloging Division, The Library of Congress, 8/1/84.

People's Council of Dong Van District
Bureau of Agriculture and Forestry
No. 11 TT/LN

SOCIALIST REPUBLIC OF VIETNAM

Circular regarding the preparation of poppy cultivation, 198?-198?.

To the People's Council of every village in the district.

In order to carry out the decision made at the 12th Congress of the Dong Van District People's Council, 3rd session, 198?, regarding the increase of the area used for poppy cultivation in 19 villages of the district as planned by the province

The Bureau of Agriculture and Forestry of Dong Van district suggests and reminds the authorities of every village to

1. Urgently prepare and conserve all necessary types of fertilizers, quantity as well as quality wise, 15 to 20 days before the cultivation starts.
2. As soon as maize is harvested, the soil has to been cleared and tilled immediadetely. The soil has to be tilled 15 to 20 days before the poppy cultivation begins.
3. Poppy seeds are available at 2 warehouses, one at Lung Cam and one at Dong Van. We request that those villages which have not acquired or have not sufficiently acquired the necessary amount of seeds, should go to the 2 warehouses mentioned above to get them. Prices for the poppy seeds have not been set. Bills will be sent to each village in a later date.

- From Ta Phin, Sung Lung to the south, the seeds could be purchased at Lung Cam warehouse.
- From Lung Tap, Thai Phin Tung, Ta Phin to the north, the seeds could be purchased at Dong Van warehouse.

The last day to buy the seeds is not on the 10th of october, 198?. After this date, the seeds will be distributed to neighboring districts. Upon receipt of this circular, it is expected that the People's Council of each village urgently encourages its people to be prepared in order to perform well once the poppy cultivation begins.

Senator HAWKINS. Today we will also learn how Nicaragua has become the newest player in the narcoterror game. The U.S. Government has photographs of a senior member of the Nicaraguan Government and Nicaraguan soldiers loading drugs on a plan in a military airport. Next week I will release these photographs to the public.

We have with us today some of the foremost experts on international terrorism and its link to drug sales. These are the people who have been waiting to tell their story. I want you to know that America is now ready to listen.

Before we introduce our first panel, I would like to introduce to you Senator Strom Thurmond, who needs no introduction to anyone that follows the workings of the Senate, and I am pleased that he thinks enough of his country and his children to be with us today.

Senator Thurmond, do you have a statement?

Senator THURMOND. Thank you very much, Madam Chairman.

I want to commend you for scheduling this hearing today to receive testimony on the very serious subject of the relationship between drugs and terrorism.

During the last two decades, the methods used to change governments and public policy have become increasingly violent. A compilation of information on terrorist activity in the United States by the Federal Bureau of Investigation shows that acts of terrorism committed in this country during 1983 included bombings, an assassination, arson, robbery and a rocket attack.

All of us remember too well the senseless terrorist bombing of the U.S. Marine barracks in Beirut, Lebanon, which took the lives of over 250 American servicemen.

Now, Madam Chairman, there appears to be evidence that international terrorists are supporting their activities more and more through the sale of illegal drugs. To what extent the United States has become a market for terrorist drug sales is a subject which must be explored.

Earlier this year I introduced four bills which were recommended by the administration, and which seek to address the problem of international terrorism. I believe that these bills, if enacted, would reduce the threat of terrorist attacks on our citizens at home and abroad. I believe it is clear that we must also resist terrorism by taking stronger actions to reduce the flow of illegal drugs into our Nation.

Madam Chairman, the public's attention must be focused on these problems if they are to be addressed. You have taken a leadership role in the effort to educate the public on the many serious implications of illegal drugs, and again, I commend you.

We have a distinguished group of witnesses with us today, and I look forward to listening to their testimony as long as I can, and then reading their testimony when I have to leave to fulfill other engagements today.

Thank you very much.

Senator HAWKINS. Thank you, Senator.

Our first panel will provide an insight into the international link between drugs and terrorism. Our experts include Francis Mullen, the Director of the Drug Enforcement Administration; Commission-

er William von Raab, who is Commissioner of the U.S. Customs Service; Ambassador Robert Sayre, who is Director of the Department of State's Office for Combatting Terrorism; and Clyde Taylor, who is the Acting Assistant Secretary of State for International Narcotics Matters.

We will start with Mr. von Raab. Do you have a statement, Commissioner?

STATEMENTS OF WILLIAM VON RAAB, COMMISSIONER, U.S. CUSTOMS SERVICE; FRANCIS MULLEN, DIRECTOR, DRUG ENFORCEMENT ADMINISTRATION; CLYDE TAYLOR, ACTING ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS MATTERS; AND AMBASSADOR ROBERT SAYRE, DIRECTOR, STATE DEPARTMENT OFFICE FOR COMBATTING TERRORISM

Commissioner VON RAAB. Yes, I do. Madam Chairman, thank you very much for this opportunity to testify on this very important issue.

In this country, we know all too well the sad and tragic consequences of the international trade in narcotics. Our families and friends are the victims of this vile and evil business.

In other parts of the world, others know first hand the cruel and barbaric horrors of another great evil, international terrorism. Tragically, we are now seeing an ever strengthening and growing link between what I have come to call the Siamese twins of death and destruction: International narcotics smuggling and international terrorism.

As a Federal law enforcement official, I find that my agency must confront crime and violence on a daily basis. Because of our work, we find ourselves combatting the most sinister of criminal forces, but of all of those forces with which we have had to deal, of all of the challenges we have had to face, perhaps the one development about which I find myself the most disturbed concerns the joining together of narcotics and terrorism, the birth of the so-called narcoterrorist.

We already know that drugs serve to weaken, undermine and destroy the fabric of society, but now drugs have become the natural ally of those that would choose to destroy the democratic societies in our hemisphere through violent means. The involvement of Cuba in international narcoterrorism is well known, and recent events and articles which have been published have brought to light the involvement of senior Nicaraguan officials in this same sleezy business.

When we turn our attention to South America, we find that Colombia, Bolivia, and Peru are the source of 95 percent of the cocaine smuggled into the United States. Colombia was also the source of 59 percent of all of the marijuana available in the United States.

These countries are plagued by the lawlessness and violence of drug trafficking on a massive scale. At the same time, their political authority is challenged by a variety of terrorist organizations.

It has become shockingly clear in the past few months that while drug trafficking organizations and these terrorist groups were once just good neighbors, they have now developed into active partners,

the narcoterrorists. This bond has its roots in the undeniable community of interests between drug traffickers and terrorists. Both operate in defiance of legitimate government. Both bring violence and chaos, and both thrive in such an atmosphere.

Drug traffickers require an environment of lawlessness and corruption to produce and market their illicit drugs, and to enjoy the vast profits of their crimes. Terrorists seek to create chaos to gain political power. I am not at all deceived by the claim that terrorists' philosophies for long-term goals prevent cooperation between terrorists and drug traffickers. The fact is that these groups are currently benefitting from each other's activities, and enjoy a symbiotic relationship: Drugs for cash for arms for drugs for cash for arms, and on and on, all leadifg to the crushing of democratic principles and human life.

Colombia, a country which I recently visited, provides striking examples of these relations between its variety of terrorist organizations and the large scale cocaine and marijuana industries there. My comments are based upon a wide variety of reports, my discussions with Colombian officials and my personal observations.

The pro-Soviet terrorist organization known as FARC, with its several subdivisions called Fronts, scattered throughout the country has its greatest strength in the same rural areas where marijuana and cocaine are produced. FARC Fronts have not only encouraged these activities, but have even taxed them to obtain operating funds. They obtain weapons through the drug traffickers and provide protection to them. They have coordinated their operations with those of the drug traffickers to avoid attracting police or military attention to drug trafficking areas.

In addition, FARC personnel have themselves produced marijuana to raise funds. They are narcoterrorists.

Another Colombian narcoterrorist group, the pro-Cuban 19th of April Movement, called M-19, has been identified in a U.S. Federal court with drug traffickers Jaime GuillotLara and officials of the Cuban Government in an attempt to invade Colombia. For his participation and use of his drug trafficking connections, Guillot received permission to use Cuban territory to assist his smuggling of drugs to the United States. This was not the first deal that Guillot had cut with the Cubans.

While less has been reported concerning the minor Colombian terrorist groups, such as the Castroite National Liberation Army and the Maoist Popular Liberation Army, they are also actively associated with drug traffickers in similar marriages of convenience.

Colombia even experiences situations where drug traffickers and terrorists are so close in their operations that the two are virtually indistinguishable. The late Colombian Minister of Justice, Rodrigo Lara Bonilla, after taking a strong lead in the struggle against drug traffickers, was brutally assassinated on April 30 of this year by the narcoterrorists. Other public figures associated with the fight against drug traffickers have also been subjected to death threats and violence.

Where the narcoterrorists have thought it useful, they have entered the political arena directly. Under the guise of national sovereignty, they protested against extradition for Colombian drug traffickers indicted in the United States. They have even cam-

paigned against the eradication of drug crops, and they have sought negotiations with the Colombian Government to reach accommodations and legitimatize the proceeds of their criminal careers.

The narcoterrorist challenge in Peru, another country which I have recently visited, is less complex, but just as serious as that in Colombia. There the relationship between the terrorists and the drug traffickers is well known to Peruvian officials who are greatly alarmed by it.

Peru is primarily a supplier of coca paste and cocaine base used for cocaine production elsewhere. There the significant terrorist group is the Maoist Shining Path, or Sendero Luminoso, a rural group active in the same areas where illicit coca is produced.

The terrorist disingenuously seeks support from coca farmers by upholding an alleged right to grow coca in defiance of government efforts to eradicate illicit crops. Bombings, ambushes, and assassinations are employed against government officials and uncooperative citizens alike. The resulting violence and chaos are frustrating Peruvian attempts to bring coca production under effective control. Narcoterrorists are alive and well in Peru.

I have also recently visited Bolivia, and while it has no prominent terrorist groups, as such, the situation there may be the worst of the three countries. This country has known years of government instability and chaos. In this atmosphere, inefficiency, and corruption have thrived. Drug traffickers long ago seized their opportunity to turn Bolivia into a world leader in the production of cocaine and to carve out for themselves large areas of the country where cocaine is the economy and the gun is the law.

Fueled by these successes, the drug traffickers have assembled private armies which defy law enforcement efforts against them. They effectively have become their country's narcoterrorists. Most have had no need to seek the overthrow of a government which has not significantly hindered them.

In the extreme case of the late Garcia Mesa regime, drug traffickers even became the government. Happily, the Garcia Mesa regime is gone, but the present government, riddled with Communists, I might add, is so impotent or lacking in resolve that the legacy of lawless and corrupt years remains a vital challenge to this troubled country. Narcoterrorists have a free hand in Bolivia.

There is though another class of nations associated with this drug trafficker-terrorist combination. That is the class of nations which foster drug trafficking, terrorism, or both as a part of their national policy, and which support these activities with their national resources, including financing, organization, and the use of sovereign territory.

Bulgaria, Cuba, and Nicaragua are prominently identified among such pirate havens. On July 24 of this year, I testified before the joint hearing of the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee regarding Bulgaria's involvement with drug trafficking in support of terrorism. My position, as stated at that time, is that until Bulgaria satisfactorily addresses the numerous charges levied against it, Customs will not participate in any exchange or liaison with Bulgaria and will actively solicit our foreign sister Customs Services to do the same.

With regard to the legislation proposed on that occasion, I maintain my endorsement of a complete review, under the auspices of the United Nations Secretary General, of the allegations of Bulgarian abuse of TIR provisions. This would provide Bulgaria an opportunity to refute the allegations, if possible, and to offer an explanation for what has been perceived as inexcusable and nefarious conduct by Bulgaria in the eyes of the world.

In the case of Cuba, there is abundant information concerning active Cuban support of both drug trafficking and terrorism. The Guillot-Lara case, which I mentioned before, provides a striking example of this.

Pilots have reported that they have personally flown unhindered through Cuban airspace while engaged in drug smuggling. Sources have also reported that Colombian marijuana is available for export in Cuba, and that Cuba has been the marijuana source of some U.S. drug traffickers.

In addition, we have had reports that a U.S. trafficking group was stealing shrimpboats in the United States, taking them to Cuba, and there receiving arms and fuel for a trip to Nicaragua. The arms were delivered in Nicaragua, after which the boats continued on to Colombia, picked up a load of marijuana and returned to Cuba. In Cuba they were refueled and given a Cuban escort to a position south of Florida on their return to the United States with the marijuana.

Nicaragua itself has also been identified as a transit stop for marijuana and cocaine traffickers enroute to the United States.

My views on these extremely serious matters are similar to my views on the involvement of Bulgaria in similar activities. I believe that a full investigation of the involvement of not only the situations in drug source countries, but the involvement of governments such as Bulgaria, Cuba, and Nicaragua, which stand accused of promoting and fostering drug trafficking and terrorism, is absolutely necessary.

As with Bulgaria, such inquiry will provide the nations involved the opportunity to refute, if possible, the allegations against them and to offer an explanation for what continues to be widely perceived as inexcusable and nefarious conduct by these nations in the eyes of the world.

I do not wish to leave this committee with the erroneous impression that drug trafficker and terrorist associations are confined to the six countries I have been discussing. This phenomenon is widespread, encountered wherever the two groups are to be found, and it appears to be developing even further.

Utilizing connections to move drugs to the United States from South America, weapons are being moved from U.S. criminal groups through Mexico, as an example, onward to Central or South America. There they reach both drug traffickers and terrorists through the kinds of associations which I have described earlier. These connections are detailed in various reportings and actual transactions that have been interrupted in progress by customs investigators.

In concluding my testimony, I would like to emphasize this important point. Drugs serve to provide terrorists with access to the hard currency and arms that are critical to their needs as they at-

tempt to impose their will on innocent peoples of the world. Today the U.S. dollar may be the currency of legitimate trade in commerce in the free world, but narcotics have become the currency of international arms trafficking and terrorism.

We all think romatically about the pirates of the 17th and 18th centuries who dealt in pieces-of-eight. Well, there is no romance whatsoever about narco-terrorists. They do not deal in pieces-of-eight. They deal in kilos of cocaine.

Thank you very much.

Senator HAWKINS. Thank you, Commissioner.

Mr. Mullen, we would like to hear from you.

Mr. MULLEN. Madame Chairman, I am pleased to appear before this subcommittee of the U.S. Senate to present testimony on the relationship between terrorism and drug trafficking, and this is a subject which deserves our close attention.

I have a very brief statement which I would like to present and then a longer statement for the record.

The mission of the Drug Enforcement Administration is to combat international drug trafficking and reduce the availability of illegal drugs in the United States. Terrorism is not the primary focus of DEA operations.

However, we do have an interest in terrorism and weapons trafficking for two reasons. First, the security of DEA personnel, particularly those assigned overseas. DEA has over 290 people in 61 offices located in 41 countries. Second, the relationship between weapons, terrorism and drug trafficking. DEA considers any information on a potential or identified relationship between terrorism and drug trafficking to be a priority.

In the last few years, DEA has received intelligence reports which indicate terrorist and insurgent groups worldwide are becoming indirectly and directly involved in the drug traffic. Today's terrorists appear to be less ideologically committed than the terrorist of the 1970's. They are less hesitant to participate in criminal activity to produce revenue for terrorist operations.

To our knowledge, no terrorist actions within the United States have yet been supported by drug profits, nor have any U.S.-based terrorist groups become involved in drug trafficking. However, drug-related terrorist activities have occurred in other regions of the world.

Two terrorist groups in Colombia believed to be the most deeply involved in drug trafficking are the FARC and the M–19, both mentioned by Commissioner von Raab. It is DEA's view that FARC groups have collected protection payments from coca growers and have obtained arms and ammunition from cocaine traffickers. The FARC has also engaged in coca cultivation, and if a FARC group operates in the vicinity of drug traffickers, such as those discovered in the March raids in Caqueta, Colombia, some arrangements for cooperation and coexistence have been made.

With regard to the M–19, it is DEA's position that this group is also involved in the cultivation of coca, in addition to protecting the drug traffickers and producers.

The Government of Peru has been plagued since 1980 by the violence of the insurgent guerrilla group known as the Shining Path. Officials of the Government of Peru, including the President,

report that the Shining Path and drug traffickers have established a degree of cooperation in some areas.

We are all aware of the Miami indictments of 11 individuals charged with multiple violation of Federal drug laws. The investigations involve United States, Colombian, and Nicaraguan nationals. Since this is a sensitive, ongoing DEA investigation which has not come to trial, I will let the indictment speak for itself.

Elsewhere in the world, documented heroin and hashish trafficker, Noubar Sofoyan, was also identified as a financial and logistics coordinator for an Armenian terrorist group. In December 1980, Sofoyan was indicted in a DEA heroin investigation in New York. He is currently a fugitive and his exact whereabouts are unknown. We do believe, however, he is somewhere in the Middle East.

In Southeast Asia's Golden Triangle, the two major opiate trafficking organizations, the Burmese Communist Party and the Shan United Army, finance their insurgent activities against the government of Burma in large part by poppy cultivation and heroin production.

The connection between terrorism and drug trafficking sometimes goes beyond individual terrorists or traffickers. We believe that two governments, those of Cuba and Bulgaria, have used drug trafficking to assist terrorists. Cuba's drug trafficking activity to support the M–19 was well documented in the Guillot-Lara investigation mentioned earlier by Mr. von Raab.

The government of Bulgaria encourages and facilitates the trafficking of narcotics, as well as other contraband, through the corporate veil of Kintex, an official import-export agency of Bulgaria. Kintex assists the flow of illicit arms and ammunitions primarily to left-wing insurgent groups in Turkey and Lebanon. However, Kintex has been known to deal with terrorist groups regardless of political affiliation.

DEA believes that terrorist involvement in drug trafficking is increasing and deserves close attention, analysis, and an appropriate law enforcement response. This emerging relationship between drug trafficking and terrorism is not a reflection of any ideological coalition or conspiracy. It is more a combination or cooperative effort for the mutual benefit of both traffickers and terrorists. With the possible exceptions of the FARC and the Shan United Army, there is no evidence of wholesale participation by terrorist groups in drug trafficking.

Although DEA believes the terrorist connection to drug trafficking is increasing, we do not believe that it has had a significant impact on the drug availability in the United States, and we should note here, Senator, that I do use the past tense, "it has not had." At this time terrorist groups are not in a position to compete with established drug smuggling organizations and are not a threat to their operations.

However, as terrorist groups acquire the significant profits derived from drug trafficking, they will increase the frequency and sophistication of their activity. This would pose an even greater terrorism and drug threat worldwide.

DEA will continue to treat drug related terrorism as a priority. This concludes my prepared statement, Madam Chairman.

[The prepared statement of Mr. Mullen follows:]

38-694 O - 84 - 2

STATEMENT

OF

FRANCIS M. MULLEN, JR.
ADMINISTRATOR

DRUG ENFORCEMENT ADMINISTRATION
U.S. DEPARTMENT OF JUSTICE

MADAM CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO APPEAR BEFORE THIS SUBCOMMITTEE OF THE UNITED STATES SENATE TO PRESENT TESTIMONY ON THE RELATIONSHIP BETWEEN TERRORISM AND DRUG TRAFFICKING, A SUBJECT WHICH DESERVES OUR CLOSE ATTENTION.

THE MISSION OF THE DRUG ENFORCEMENT ADMINISTRATION IS TO COMBAT INTERNATIONAL DRUG TRAFFICKING AND REDUCE THE AVAILABILITY OF ILLEGAL DRUGS IN THE UNITED STATES. TERRORISM IS NOT THE PRIMARY FOCUS OF DEA OPERATIONS. HOWEVER, WE DO HAVE AN INTEREST IN TERRORISM AND WEAPONS TRAFFICKING FOR TWO REASONS:

1. THE SECURITY OF DEA PERSONNEL, PARTICULARLY THOSE OVERSEAS. DEA HAS OVER 290 PEOPLE IN 61 OFFICES LOCATED IN 41 COUNTRIES.

2. THE RELATIONSHIP BETWEEN WEAPONS, TERRORISM, AND DRUG TRAFFICKING. DEA CONSIDERS ANY INFORMATION ON A POTENTIAL OR IDENTIFIED RELATIONSHIP BETWEEN TERRORISM AND DRUG TRAFFICKING TO BE A PRIORITY. IF TERRORISTS HAD ACCESS TO THE ENORMOUS PROFITS THAT ARE DERIVED FROM DRUG TRAFFICKING, THEY COULD INCREASE THE FREQUENCY AND SOPHISTICATION OF THEIR OPERATIONS.

OUR INTEREST IN WEAPONS AND TERRORISM INCLUDES THE FOLLOWING SUBJECTS:

1. USE OF ASSETS OR PERSONNEL OF DRUG TRAFFICKING ORGANIZATIONS TO ENHANCE, SUPPORT, CONCEAL, OR CONDUCT TERRORIST ACTIVITIES;

2. USE OF WEAPONS TO PROTECT DRUG SHIPMENTS;

3. DIRECT EXCHANGE OF GUNS FOR DRUGS;

4. SALE OF DRUGS BY TERRORISTS TO FINANCE THEIR ACTIVITIES;

5. EXCHANGE AND/OR BARTER OF DRUGS FOR OTHER PRODUCTS OR SERVICES;

6. EXTORTING DRUG MONIES FROM GROWERS, PRODUCERS, DISTRIBUTORS, OR OTHER MEMBERS OF THE TRAFFICKING CHAIN BY TERRORIST GROUPS;

7. CONTRIBUTIONS OF WEAPONS, DRUGS, OR MONEY BY TRAFFICKERS AND GROWERS TO TERRORISTS FOR PROTECTION OF GROWING AREAS, PRODUCTION/PROCESSING FACILITIES, OR TRAFFICKING ROUTES.

IN THE LAST FEW YEARS, DEA HAS RECEIVED INTELLIGENCE REPORTS WHICH INDICATE TERRORIST AND INSURGENT GROUPS WORLDWIDE ARE BECOMING INDIRECTLY OR DIRECTLY INVOLVED IN THE DRUG TRAFFIC. TODAY'S TERRORISTS APPEAR TO BE LESS IDEOLOGICALLY COMMITTED THAN THE TERRORISTS OF THE 1970'S. THEY ARE LESS HESITANT TO PARTICIPATE IN CRIMINAL ACTIVITY TO PRODUCE REVENUE FOR TERRORIST OPERATIONS.

TO OUR KNOWLEDGE, NO TERRORIST ACTIONS WITHIN THE UNITED STATES HAVE YET BEEN SUPPORTED BY DRUG PROFITS, NOR HAVE ANY U.S.-BASED TERRORIST GROUPS BECOME INVOLVED IN DRUG TRAFFICKING. HOWEVER, DRUG-RELATED TERRORIST ACTIVITIES HAVE OCCURRED IN SEVERAL REGIONS OF THE WORLD.

IN COLOMBIA, A MAJOR MARIJUANA SOURCE COUNTRY AND A SOURCE AND TRANSIT COUNTRY FOR COCAINE, THE TWO TERRORIST GROUPS BELIEVED TO BE MOST DEEPLY INVOLVED IN DRUG TRAFFICKING ARE THE REVOLUTIONARY ARMED FORCES OF COLOMBIA, COMMONLY REFERRED TO AS THE FARC, AND THE 19TH OF APRIL MOVEMENT, KNOWN AS THE M-19.

THE FARC IS THE LARGEST, OLDEST, BEST-TRAINED, AND BEST-EQUIPPED TERRORIST GROUP IN COLOMBIA. THE FARC IS BASICALLY A RURAL MOVEMENT AND HALF OF ITS APPROXIMATELY 25 FRONTS OPERATE IN AREAS WHERE COCA AND MARIJUANA ARE CULTIVATED.

FARC FRONTS HAVE COLLECTED PROTECTION PAYMENTS FROM COCA GROWERS AND HAVE OBTAINED ARMS AND AMMUNITION FROM COCA TRAFFICKERS. IN RETURN, THE FARC DOES NOT INTERFERE WITH COCA GROWERS; IT PROTECTS TRAFFICKERS' AIRFIELDS, AND WARNS TRAFFICKERS AND GROWERS OF POLICE OR MILITARY PATROLS. THE FARC HAS ALSO ENGAGED IN THE CULTIVATION OF COCA. IF A FARC GROUP OPERATES IN THE VICINITY OF DRUG TRAFFICKERS, SUCH AS WAS DISCOVERED DURING THE RAIDS IN MARCH IN CAQUETA DEPARTMENT, SOME ARRANGEMENTS FOR COOPERATION AND CO-EXISTENCE PROBABLY HAVE BEEN MADE.

THE M-19 IN COLOMBIA IS MOST FAMOUS FOR STORMING THE DOMINICAN REPUBLIC'S EMBASSY IN BOGOTA IN FEBRUARY 1980 AND HOLDING THE U.S. AND OTHER AMBASSADORS HOSTAGE FOR SEVERAL WEEKS. DEA HAS RECEIVED SEVERAL REPORTS OF THE M-19 EXTORTING MONEY FROM DRUG GROWERS AND TRAFFICKERS, AS WELL AS CULTIVATING DRUGS.

IN DEA'S MOST SIGNIFICANT INVESTIGATION OF THE TERRORISM-DRUGS CONNECTION, THE M-19 WAS IDENTIFIED AS A RECIPIENT OF ARMS FROM CUBA VIA THE SMUGGLING NETWORK OF COLOMBIAN DRUG TRAFFICKER JAIME GUILLOT-LARA. GUILLOT HAD STRUCK A DEAL WITH SEVERAL HIGH-LEVEL OFFICIALS OF THE CUBAN GOVERNMENT. THE CUBANS WOULD PROVIDE SAFE HAVEN FOR GUILLOT'S DRUG SMUGGLING VESSELS TRAVELING FROM COLOMBIA TO THE UNITED STATES. IN RETURN, GUILLOT AGREED TO PAY THE CUBANS FOR THEIR COOPERATION.

GUILLOT ALSO ASSISTED THE CUBANS BY USING TWO OF HIS SHIPS TO SMUGGLE ARMS FROM CUBA TO M-19 MEMBERS IN COLOMBIA. ON NOVEMBER 15, 1981, THE COLOMBIAN NAVY SANK THE M/V KARINA, CONTROLLED BY GUILLOT, OFF THE COAST OF COLOMBIA. AN ESTIMATED 100 TONS OF WEAPONS WERE ABOARD THE KARINA WHEN SHE SANK. ON NOVEMBER 24, 1981, THE MONARCA, ALSO CONTROLLED BY GUILLOT, WAS SEIZED BY COLOMBIAN AUTHORITIES AFTER THE VESSEL HAD DELIVERED ASHORE A LARGE QUANTITY OF WEAPONS DESTINED FOR THE M-19. THE WEAPONS HAD BEEN TRANSFERRED AT SEA FROM THE KARINA.

IN NOVEMBER 1982, GUILLOT, FOUR HIGH-RANKING CUBAN OFFICIALS, AND NINE OTHERS WERE INDICTED IN MIAMI FOR VIOLATIONS OF FEDERAL DRUG LAWS. GUILLOT AND THE FOUR OFFICIALS REMAIN FUGITIVES.

IN PERU, THE MAOIST INSURGENT/GUERRILLA GROUP SENDERO LUMINOSO (SHINING PATH), HAS BEEN WAGING A CAMPAIGN OF VIOLENCE AGAINST THE GOVERNMENT OF PERU SINCE 1980. MORE THAN 3000 PEOPLE HAVE BEEN REPORTED KILLED AS A RESULT OF SHINING PATH OPERATIONS. OFFICIALS OF THE GOVERNMENT OF PERU, INCLUDING THE PRESIDENT, HAVE REPORTED THAT SHINING PATH ACQUIRES SOME OF ITS FUNDS BY EXTORTING MONEY FROM DRUG TRAFFICKERS. THEY BELIEVE THAT SHINING PATH AND DRUG TRAFFICKERS WORK TOGETHER AGAINST THE SECURITY FORCES OF THE GOVERNMENT OF PERU.

We are all aware of the recent Miami indictments of 11 individuals charged with multiple violations of Federal drug laws. This investigation involves U.S., Colombian, and Nicaraguan nationals. Since this is a sensitive, ongoing DEA investigation which has not yet come to trial, I will let the indictment speak for itself.

The relationship between drug traffickers and terrorism is not limited to Latin America. Documented heroin and hashish trafficker Noubar SOFOYAN was connected with the Justice Commandos of the Armenian Genocide, known as JCAG, one of several Armenian terrorist groups that are avowed enemies of the Government of Turkey and that strike at Turkish targets worldwide.

SOFOYAN had been arrested after the bombing of a Turkish installation in Switzerland and expelled from the country. In December 1980, he was a principal in a DEA heroin investigation and subsequently was indicted in New York; he was eventually declared a fugitive. DEA located him and requested his arrest by Greek authorities. The U.S. and Lebanon sought SOFOYAN's extradition; SOFOYAN was released to Lebanese authorities. He remains a fugitive from U.S. justice and his current whereabouts are unknown.

In Southeast Asia's Golden Triangle, the two major opiate trafficking organizations, the Burmese Communist Party (BCP) and the Shan United Army (SUA), finance their activities in large part by poppy cultivation and heroin production.

THE BCP IS A DEDICATED INSURGENCY AGAINST THE GOVERNMENT OF BURMA AND CONTROLS THE MOST PRODUCTIVE POPPY-GROWING AREAS WITHIN BURMA. THE BCP PROVIDES BOTH OPIUM AND CRUDE MORPHINE BASE TO THE SUA AND OTHER PRODUCERS WHO ARE ACTIVE ALONG THE THAI/BURMESE BORDER. IT ALSO PRODUCES HEROIN IN ITS OWN REFINERIES.

THE SUA IS NOW AN INSURGENT GROUP IN NAME ONLY. IT IS ALMOST TOTALLY FOCUSED ON OBTAINING PROFITS FROM THE PRODUCTION, SMUGGLING, AND SALE OF NARCOTICS, PRIMARILY HEROIN AND HEROIN BASE. FROM THE SALE OF THESE NARCOTICS THE SUA OBTAINS FUNDS TO PURCHASE ARMS.

THE CONNECTION BETWEEN TERRORISM AND DRUG TRAFFICKING SOMETIMES GOES BEYOND INDIVIDUAL TERRORISTS OR TRAFFICKERS. WE BELIEVE THAT TWO GOVERNMENTS, THOSE OF CUBA AND BULGARIA, HAVE USED DRUG TRAFFICKING TO DIRECTLY OR INDIRECTLY ASSIST TERRORISTS. CUBA'S DRUG TRAFFICKING ACTIVITY TO SUPPORT THE M-19 WAS WELL DOCUMENTED IN THE GUILLOT INVESTIGATION I MENTIONED EARLIER.

THE CUBAN ASSOCIATION WITH GUILLOT PROVIDED CUBA WITH A DUAL BENEFIT. GUILLOT'S SMUGGLING VENTURES PROVIDED HARD CURRENCY WHICH CUBA USED TO SUPPORT REVOLUTIONARY/TERRORIST ACTIVITIES IN LATIN AMERICA. CUBA WAS ABLE TO UTILIZE THE SMUGGLING EXPERTISE AND CAPABILITIES OF GUILLOT BY HAVING HIM TRANSPORT AND DELIVER ARMS WHICH ULTIMATELY WERE DESTINED FOR THE M-19.

DEA ALSO BELIEVES THAT THE GOVERNMENT OF BULGARIA HAS ESTABLISHED A POLICY OF ENCOURAGING AND FACILITATING THE TRAFFICKING OF NARCOTICS AS WELL AS OTHER CONTRABAND THROUGH THE CORPORATE VEIL OF KINTEX, AN OFFICIAL IMPORT/EXPORT AGENCY OF BULGARIA.

BULGARIAN OFFICIALS, THROUGH KINTEX, DESIGNATE 'REPRESENTATIVES' TO OPERATE AS BROKERS WHO ESTABLISH EXCLUSIVE ARRANGEMENTS WITH SMUGGLERS FOR BARTERED CONTRABAND, SUCH AS DRUGS OR WEAPONS, FOR A FEE. THESE REPRESENTATIVES AND SMUGGLERS ARE REPORTEDLY NON-BULGARIANS, PRIMARILY COMPOSED OF TURKISH NATIONALS OF KURDISH BACKGROUND. HOWEVER, SELECTED SMUGGLERS ALSO INCLUDE SYRIAN, IRANIAN, JORDANIAN, LEBANESE, AND EUROPEAN NATIONALS.

MOTIVATIONS FOR BULGARIA'S ENCOURAGEMENT AND SUPPORT OF BOTH NARCOTICS AND ARMS SMUGGLING ACTIVITIES CAN BE DESCRIBED AS FOLLOWS:

1. AN ATTEMPT BY THE BULGARIAN GOVERNMENT TO OBTAIN HARD WESTERN CURRENCY WHICH IS IN SHORT SUPPLY IN BULGARIA;

2. AN ATTEMPT TO SUPPLY AND SUPPORT SEVERAL DISSIDENT GROUPS IN THE MIDDLE EAST WITH WESTERN ARMS AND AMMUNITION IN SUPPORT OF COMMUNIST REVOLUTIONARY AIMS. PAYMENT FOR ARMS IS SOMETIMES MADE BY THESE REVOLUTIONARY GROUPS WITH NARCOTICS, WHICH THEN ARE SMUGGLED TO WESTERN DEMOCRACIES AND SOLD AT A CONSIDERABLE PROFIT; AND

3. INTELLIGENCE GATHERING REQUIREMENTS WHICH THE BULGARIANS ARE ABLE TO LEVY ON THE VARIOUS TRAFFICKERS IN BOTH THE MIDDLE EAST AND IN WESTERN EUROPE.

KINTEX ASSISTS THE FLOW OF ILLICIT ARMS AND AMMUNITION PRIMARILY TO LEFT-WING INSURGENCY GROUPS IN TURKEY AND LEBANON. HOWEVER, KINTEX HAS BEEN KNOWN TO DEAL WITH TERRORIST GROUPS REGARDLESS OF POLITICAL AFFILIATION.

DEA BELIEVES THAT TERRORIST INVOLVEMENT IN DRUG TRAFFICKING IS INCREASING AND DESERVES CLOSE ATTENTION AND ANALYSIS. THIS EMERGING RELATIONSHIP BETWEEN DRUG TRAFFICKING AND TERRORISM IS NOT A REFLECTION OF ANY IDEOLOGICAL COALITION OR CONSPIRACY. WHAT WE FIND IN MOST CASES IS MORE OF AN ACCOMODATION OR COOPERATIVE EFFORT FOR THE MUTUAL BENEFIT OF BOTH TRAFFICKER AND TERRORIST. EACH WILL TAKE ADVANTAGE OF THE EXPERIENCE, EQUIPMENT, AND CONTACTS OF THE OTHER IN ORDER TO PURSUE ITS OWN ENDS. WITH THE POSSIBLE EXCEPTIONS OF THE FARC AND THE SHAN UNITED ARMY, THERE IS NO EVIDENCE OF WHOLESALE PARTICIPATION BY TERRORIST GROUPS IN DRUG TRAFFICKING, OR OF LARGE SCALE INVOLVEMENT BY VARIOUS TERRORIST GROUP LEADERS.

ALTHOUGH DEA BELIEVES THE TERRORIST CONNECTION TO DRUG TRAFFICKING IS INCREASING, WE DO NOT BELIEVE THAT IT HAS HAD A SIGNIFICANT IMPACT ON DRUG AVAILABILITY IN THE UNITED STATES. AT THIS TIME, TERRORIST GROUPS ARE NOT IN A POSITION TO COMPETE WITH ESTABLISHED DRUG SMUGGLING ORGANIZATIONS AND ARE NOT A THREAT TO THEIR OPERATIONS.

HOWEVER, AS PREVIOUSLY STATED, SHOULD TERRORIST GROUPS ACQUIRE DRUG TRAFFICKING PROFITS, THEY COULD GREATLY INCREASE THE FREQUENCY AND SOPHISTICATION OF THEIR OPERATIONS. THIS WOULD POSE AN EVEN GREATER TERRORISM THREAT WORLDWIDE. DEA WILL CONTINUE TO TREAT DRUG-RELATED TERRORISM AS A PRIORITY.

THIS CONCLUDES MY TESTIMONY. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS THE SUBCOMMITTEE MAY HAVE.

Senator HAWKINS. Thank you, Mr. Mullen.

Mr. Taylor.

Mr. TAYLOR. Madam Chairman, the Department of State welcomes this opportunity to testify on the relationships between narcotics trafficking and international terrorism. The Secretary has expressed his regrets that he could not participate and asked Ambassador Sayre and me to represent the Department.

The Bureau of International Narcotics Matters has developed testimony in close coordination with the Department's regional bureaus, the Office of Counter-Terrorism and Emergency Planning and U.S. Embassy staffs. I will present this testimony, and the Ambassador and I will respond to questions.

Increasingly, international narcotics control efforts are impeded by violence, subversion, and corruption. In many narcotics producing countries, organizations which describe themselves as insurgents frequently use terrorist tactics and have become involved directly or indirectly with narcotics production and trafficking.

We have also seen indications of state-sponsored narcotics trafficking. Although most of the groups involved with narcotics trafficking or production do not meet the legal definitions of insurgents or terrorists, increasing use of violence against our efforts, the drugs for arms nexus, and the financing of these assorted organizations through illicit narcotics activities pose a severe threat to the prospects of successful international narcotics control.

Consequently, we welcome this opportunity to discuss the problem.

Terrorism is commonly defined as the use of violence and the threats to use violence as a political weapon to achieve control, to influence government policy and/or to destabilize and even overthrow governments. When we speak of terrorism, we generally refer to groups such as the Red Brigades in Italy, the Red Army Faction in Germany, Armenian terrorist organizations, and others; and when we speak of state-sponsored terrorism, we generally refer to the practice of Iran, Libya, and a few other governments who employ state-sponsored violence as a weapon, usually by surrogates.

Consequently, the legal definition of "terrorism" cannot be used to describe narcotics traffickers in their organizations, although the tactics they use at times are equal to or exceed those of terrorist organizations.

We will report on the groups which hold in common the use of violence and a relationship to the narcotics trade, including groups which finance their terrorist actions through profits derived from the narcotics trade, groups which are actively engaged in narcotics trafficking and use terrorism to enhance or sustain their positions, and groups randomly organized by narcotics traffickers who resort to violence and other terrorist type activities to protect and enhance their criminal enterprise.

While we view the connection between narcotics and terrorism or other violent activities with considerable disgust and concern, we would not want to leave the impression that the elimination of these activities would dramatically reduce in the short term the availability of worldwide narcotics supplies.

On at least one previous occasion, when we raised the drugs for arms and insurgency connection before Congress, we were accused of trying to blame the illicit narcotics supply problem on Communist-inspired insurgencies. This has not been our intent. Rather, we have sought to underscore the importance of this issue and the difficulties it creates for many nations, as well as our mutual antinarcotics programs.

For that purpose, let us highlight some of the situations which are discussed in greater detail in the Department's formal testimony which has been submitted to the committee.

There is a well-documented linkage between various political insurgencies in Burma and the narcotics trade in the Golden Triangle. Insurgents ranging from the ideological revolutionaries, like the Burmese Communist Party, to profit-oriented warlords like the Shan United Army, control variously the production, refining, and transshipment of opium and heroin.

To date Bulgaria, as we have heard, has not responded to the urgings of the United States and other nations to curb narcotics trafficking, which we continue to believe is tolerated and even encouraged by State officials, some of whom are apparently involved in the traffic through the Government's export-import agency.

While the Cuban Government continues to deny any official involvement in narcotics trafficking, reports over a period of years beginning in 1962 suggest a Cuban role in facilitating drug trafficking through the Caribbean. However, while individual Cuban officials have been indicted, there is no solid evidence of Cuban Government involvement, nor do reports confirm a connection between international terrorism and Cuban involvement in narcotics trafficking.

Within the past year, two officials of the Nicaraguan Government of National Reconstruction have been charged with involvement in cocaine trafficking on the basis of credible evidence. Now, in the past few weeks, 11 persons have been indicted, as Mr. Mullen reported, by a grand jury in Miami, including an aide to Interior Minister Borge, all of them charged with cocaine smuggling. The information is that not only were these officials involved in the trafficking, but that Government troops assisted in loading cocaine onto a plane to carry the drugs into the United States.

There have been other indications that Sandinista officials were involved in drug trafficking as part of the state-sanctioned policies.

There are clear connections between Colombian guerrilla groups and narcotics production and smuggling operations. However, there is also a general level of violence, both criminal and political, that has long been a feature of the Colombian narcotics scene, and this violence is traceable both to guerrilla groups and to narcotics trafficking organizations.

Narcotics-related violence is also on the upswing in Peru, and there are some ties between the terrorist group Sendero Luminoso and narcotics traffickers. However, the facts available to us do not indicate that the terrorists and traffickers maintain a structured relationship or that they take joint actions, and it should be clearly understood that a considerable amount of the violence in the upper Huallaga region is criminally motivated and without the ideological connotations.

Bolivia, as Mr. von Raab reported, has more trouble with the lawlessness and violence spawned by narcotics traffickers than with politically motivated terrorism, and this violence among the narcotics related rivalries is increasing. Given Bolivia's historic instability, there is potential for links between traffickers and radical political groups of both left and right.

With that brief report on country situations, prefaced by this distinction that must be made between criminal and political enterprises and between violence and terrorism, both of which may be involved in narcotics trafficking, we are prepared to respond to any of your questions.

Thank you.

[The prepared statement of Mr. Taylor follows:]

TESTIMONY
ACTING ASSISTANT SECRETARY CLYDE D. TAYLOR
BUREAU OF INTERNATIONAL NARCOTICS MATTERS
to
SENATE SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE
COMMITTEE ON LABOR AND HUMAN RESOURCES
AUGUST 2, 1984

MADAME CHAIRMAN:

Introduction

The Department welcomes this opportunity to testify on the relationships between narcotics trafficking and international terrorism. The Secretary has expressed regrets that he could not participate, and asked Ambassador Sayre and me to represent the Department. The Bureau of International Narcotics Matters has developed testimony in close coordination with the Department's regional bureaus, the Office for Counter-terrorism and Emergency Planning, and U.S. Embassy staffs. I will present this testimony and the Ambassador and I will answer questions.

Increasingly, international narcotics control efforts are impeded by violence, subversion and corruption. In many narcotics producing countries, organizations which describe themselves as insurgents frequently use terrorist tactics, and have become involved directly or indirectly with narcotics production and trafficking. We have also seen indications of state-sponsored narcotics trafficking. Although most of the

groups involved with narcotics trafficking or production do not meet the legal definitions of "insurgents" or "terrorists," the increasing use of violence against our efforts, the drugs for arms nexus, and the financing of these assorted organizations through illicit narcotics activities poses a severe threat to the prospects of successful international narcotics control. Consequently, we welcome this opportunity to discuss the problem.

Terrorism is commonly defined as the use of violence (and the threats to use violence) as a political weapon to achieve control, to influence government policy and/or to destabilize and even overthrow governments. When we speak of terrorism, we generally refer to groups such as the Red Brigades in Italy, the Red Army Faction in Germany, Armenian terrorist organizations, and others. And, when we speak of state-sponsored terrorism, we generally refer to the practice of Iran, Libya and a few other governments to employ state-sponsored violence as a weapon, usually by surrogates.

Consequently, the legal definition of terrorism cannot be used to describe narcotics traffickers and their organizations, although the tactics they use at times are equal to, or exceed, those of terrorist organizations. We will report on the groups which hold in common the use of violence and a relationship to the narcotics trade -- including groups which finance their

terrorist actions through profits derived from the narcotics trade; groups which are actively engaged in narcotics trafficking and use terrorism to enhance or sustain their positions; and, groups randomly organized by narcotics traffickers who resort to violence and other terrorist type activities to protect and enhance their criminal enterprise..

While we view the connection between narcotics and terrorism or other violent activities with considerable disgust and concern, we would not want to leave the impression that the elimination of these activities would dramatically reduce, in the short term, the availability of worldwide narcotic supplies.

On at least one previous occasion, when we raised the drugs-for arms and insurgency connection before Congress, we were accused of trying to blame the illicit narcotics supply problem on Communist inspired insurgencies. This has not been our intent, but rather we have sought to underscore the importance of this issue and the difficulties it creates for many nations as well as our anti-narcotics programs.

Bolivia

Bolivia has more trouble with sheer lawlessness and violence derivative from the narcotics trade than with any direct linkages between narcotics traffickers working in

Bolivia and ideologically motivated terrorists. Such lawlessness, however, has created a climate of terror in certain areas of Bolivia, especially the Chapare, an area which is the size of New Jersey and is completely at the mercy of armed and wealthy traffickers.

There are several key concerns, beginning with widespread violence directed against civilians, mainly peasants, and any who challenge the narcotraffickers' domination in the Chapare region. Narcotics traffickers intimidate and at times kill Chapare peasants who do not wish to cooperate in the production and trafficking of narcotics. There is no recourse to police protection, because the police and other civil authorities have been driven out.

Violence among the traffickers themselves is growing. There are hundreds of well-armed traffickers and the rivalries among them often enough result in murders, vendettas and violence, which spills over into other sectors. This type of violence is becoming more common, especially in the city of Santa Cruz.

There have been persistent rumors that members of both the far left and the far right are involved in and financing political activities through trafficking, arms smuggling and other related illegal activities. Bolivia's endemic political

instability offers such politically motivated and corrupt elements of society an opportunity to foster links between narcotics traffickers and radical politics, left or right.

Related to the above concerns is the presence of "paramilitary" thugs in the Beni and Chapare areas paid by traffickers to guard planes, airfields and activities. Several former military officers are said to be involved with such groups, some of whom were forcibly discharged from the military during the tenure of the current Bolivian government. Their activities, while not yet seriously directed against the state, are a source of potential threat to the existing order as they are likely to have access to narcotics money.

Perhaps most importantly, the presence and activities of large numbers of narcotics traffickers in wide areas of Bolivia strikes at the sovereignty of the state. The writ of the traffickers runs widely here and, while not engaged in consistent terrorist actions of a political nature, the areas under their effective control constitute a state within a state where the use of terror and murder is common and the rule of law simply does not exist.

Bulgaria

Drug dealers, many of them Turkish nationals, operate out semi-permanent bases in Bulgaria. It was the activities of

some of the more flagrant of these drug dealers in Bulgaria that first brought the Bulgarian connection to public view in the late 1970s. These international drug dealers resided openly in Sofia for long periods of time, maintaining openly flamboyant and free-spending lifestyles. They used Bulgaria as a safe base for running their operations elsewhere.

The Bulgarian authorities tolerate these drug dealers. U.S. Government agencies provided Bulgaria with the names of known narcotics traffickers operating inside that country on several occasions. The results were disappointing and the big dealers remained untouched.

The Bulgarians publicly profess their interest in eliminating the traffic in narcotics, but the interest appears to extend only to border interception, and not to eliminating illicit operations run from inside the country. This lack of cooperation led the Department to conclude that further official U.S. Government cooperation with Bulgarian enforcement agencies was not warranted.

Other far more serious allegations have come to light. These allegations include charges that the Bulgarians, primarily through an official government trading firm, Kintex, have an officially sanctioned program for selling illegal drugs to Western Europe and using the proceeds from those drugs to

finance illegal arms transactions and to bankroll terrorist groups. Many of these reports come from confidential sources and understandably have proved difficult to substantiate.

The immediate motivation for Bulgaria's encouragement and support of both narcotics and arms smuggling activities can be summarized as follows:

1. An attempt by the Bulgarian government to obtain Western hard currency which is in short supply in Bulgaria;

2. An attempt to supply and support several dissident groups in the Middle East with Western arms and ammunition. Payment for arms at times are made by these revolutionary groups with narcotics, which then are smuggled to Western nations and sold at a considerable profit; and

3. Intelligence gathering requirements which the Bulgarians are able to levy on the various traffickers in both the Middle East and in Western Europe by allowing and controlling such traffic.

In virtually every report since 1970 about narcotics trafficking in and through Bulgaria, the state trading organization, Kintex, is mentioned as a facilitator of transactions. In turn, knowledgeable sources consistently

advise that top-ranking members of the Bulgarian Security Service or ex-Bulgarian ministers comprise the directorate of Kintex.

Certain smugglers are permitted to conduct their activities within and through Bulgaria. In effect, Bulgarian officials, through Kintex, designate "representatives" to operate as brokers who establish exclusive fee arrangements with smugglers for bartered contraband. These representatives and smugglers are non-Bulgarians (primarily Turkish nationals of Kurdish background, many of which are collectively known as the Turkish Mafia). However, the smugglers also include Syrian, Jordanian and Lebanese as well as European nationals. Kintex has denied any knowledge of or association with these "representatives."

The Department of State views these charges very seriously, because drug smuggling, illegal arms shipments and terrorism obviously are profoundly serious matters. The problem of Bulgarian involvement in international narcotics smuggling directly affects Western European nations. In cooperation with those U.S. agencies with primary responsibility for narcotics investigations, and with other governments, we will continue to try to convince the Bulgarians that genuine cooperation in the elimination of drug trafficking is in the interests of all countries.

Burma/Thailand

The relationship between insurgency and narcotics trafficking is particularly close in Burma where most of the principal insurgent groups rely on heroin smuggling to finance their activities. These groups control or influence the main areas of opium production in northeastern Burma where the difficult terrain and a shortage of modern military equipment have prevented the Burmese Government from establishing its authority. The insurgents range from ideological revolutionaries like the Burmese Communist Party (BCP), to ethnic separatists like the Kachin Independence Organization (KIO), and profit-oriented "opium warlord" bands such as the so-called Shan United Army (SUA). Whatever their professed objectives, they are heavily involved in the production, transport or sale of heroin. The BCP for example controls areas producing the bulk of the Burmese opium crop from which it receives a substantial share in the form of taxes or forced deliveries levied on farmers. It has also recently begun to establish refineries to convert opium into heroin, and to engage in direct sales of refined opiates to middlemen. The SUA dominates the shipment of opium to the Thai-Burma border area where SUA-controlled and independent refineries process most of the heroin produced in Burma. Competititon among these and other groups for dominance of the lucrative narcotics trade generates frequent armed conflict as well as shifting alliances

of convenience which keep intra-insurgent relations in a constant state of flux.

For many years, the Burmese government has been waging a determined struggle to suppress narcotics trafficking in its terrority, at heavy cost in material resources and in the lives of its soldiers. Despite very real achievements through annual campaigns to destroy crops in the field, to interdict shipments and destroy refineries, and frequent operations against trafficker armies, decisive results are unlikely until the government posssesses the means to establish effective control over the areas currently under insurgent influence.

The link between insurgency and narcotics is much weaker in Thailand. Prior to 1982, Burmese groups such as the SUA operated in Thai terrority with relative impunity. However, in January 1982, the government of Prime Minister Prem drove the SUA from their headquarters in northern Thailand, and initiated an ongoing series of military operations which have severely disrupted the activities of the SUA, the Chinese Irregular Forces, and other Burmese traffickers on the Thai side of the border. The only indigenous Thai insurgent group of any consequence, the Communist Party of Thailand (CPT), is reportedly ready to engage in narcotics trafficking but it has been largely neutralized by Thai security forces.

Colombia

There are clear connections between Colombian guerrilla groups and narcotics production/smuggling operations.

However, there is also a general level of violence, both criminal and political, that has long been a feature of the Colombian narcotics scene, and this violence is traceable both to guerrilla groups and to narcotic trafficking organizations.

The most infamous recent examples of narcotics-related criminal violence were the April 1984 assassination of Justice Minister Lara and the February 1984 murder of Eduardo Gonzalez, previously a high level assistant in the Justice Ministry. Lara played a highly visible role as leader of the Colombian Government's anti-narcotics program. Gonzalez, who had been an assistant to the former Minister of Justice, had actively and publicly supported implementation of the United States - Colombian extradition treaty.

Other narcotics-related violence may appear in either criminal or political guise. In late July 1984, for example, a bomb exploded on the campus of the University of the Atlantic in Barranquilla. A previously-unheard of group called the Urban Insurrection Front claimed responsibility, stating that it was protesting the spraying of marijuana crops in the Sierra

Nevada mountains. Whether the incident was political or criminal in origin is uncertain, and indeed may never be known.

There are four major insurgent organizations in Colombia. The Revolutionary Armed Forces of Colombia (FARC) is the largest, oldest, and best-equipped of them. It has 23-28 guerrilla "fronts" with a total of approximately 2,000 active members and a support infrastructure which pushes its numbers to 5,000 or more. Basically a rural movement, half its fronts operate in coca and marijuana growing areas. The 19th of April Movement (M-19) has about 900 activists divided into 140 cells. The National Liberation Army (ELN) is composed of nine groups with approximately 300-800 combatants. Some 250 people are involved in the Popular Liberation Army (EPL), with perhaps an equal number in its dissident Pedro Leon Arboleda (PLA) faction.

According to one deserter, each FARC front had a specific responsibility with the groups in Guaviare and Vaupes Departments to operate in conjunction with the narcotics traffickers for money and arms. Since that time -- and possibly before -- the FARC has been collecting protection payments from coca growers in their operating territory, often demanding 10 percent of the profit. One front reportedly obtained $3.38 million per month in taxing the coca industry. The XIII Front, located in the south of Huila Department, and the IV Front in

Putumayo Department, have been active in dealing with coca traffickers in obtaining arms and ammunition through them. At one time, Rigoberto Lozano Perdono was commissioned in Caqueta Department by FARC to maintain direct control over narcotics trafficking and to collect the corresponding quotas. According to one report, believed to be dated in 1983, the FARC approved the expropriation of 50,000 pesos per hectare (US $666 at 75:1) and 45,000 pesos (US $600) for a processed kilo of cocaine from the traffickers.

In exchange, the FARC has let coca growers go about their business and has often warned them of the arrival of anti-narcotics police or military patrols. The guerrillas have also controlled enough strategic points along certain rivers to harass or interdict travel by the police. The FARC also guarantees a number of clandestine airfields vital to the drug trade. Thus, the basic benefit that the coca growers derive from their relationship with the FARC is clearly protection.

The benefit to the guerrillas is basically financial, providing money to buy weapons and supplies. These may be procured through the traffickers and shipped into Colombia on return drug flights. According to one observer, the FARC has also benefitted by taking advantage of the transient laborers who are attracted to the coca zones and are then recruited by the FARC. There have been occasional reports that the FARC has

also extorted money from marijuana traffickers along the north coast, particularly in Magdalena Department.

It is fairly certain that wherever a FARC front operates and trafficking is carried on, some arrangement exists between the two groups. During the March 1984 raid on the giant cocaine processing center in Caqueta Department, the Colombian authorities found a FARC camp a half-mile from a cocaine laboratory. While this does not mean FARC participation in cocaine refining, it does indicate some form of agreement for coexistence with the traffickers. In addition, the FARC may, to a lesser degree, have engaged in the cultivation of coca. In November 1983, the Colombian Army discovered next to an abandoned FARC camp in southerm Colombia 90 hectares of coca and a processing laboratory.

There have also been unconfirmed reports of "taxation" of drug growers and traffickers by the ELN and EPL in their areas of operation.

The Government of Colombia has sought for some time to come to agreement with these insurgent organizations and begin steps to end the political violence and end the threat which the guerrillas have posed to national security. After several months of discussions between the FARC Major Command and the Colombian Government's Peace Commission, a cease-fire with the

FARC went into effect on May 28, 1984. Discussions with the M-19 and EPL have continued through June and July 1984, leading to reports in late July that a cease-fire with those organizations would go into effect by mid-August.

In sum, the Government's intention has been to address the security problem posed by these groups. At the same time, the Government's determination to attack the drug trade has been strong and unequivocal. It will take time to see how the arrangements with the insurgents develop, but it is not expected that they will include concessions which compromise the offensive against the narcotics trade.

Narcotics-related violence in Colombia has also come from the right. The right-wing group known as Death to Kidnappers (MAS) is widely believed to have been founded by narcotics traffickers as a result of the kidnapping for ransom of the daughter of a known trafficker. In remarks to the Colombia press, Carlos Lehder, widely acknowledged as a leading narcotics traffickers, has also drawn a connection between himself and the MAS organization.

Cuba

Reports of Cuban Government involvement in narcotics trafficking first reached the U.S. Government in 1963.

However, these reports were isolated and most of them not corroborated. A 1971 report suggested that heroin had been obtained directly from Havana in exchange for auto parts and medical supplies. Seven years later, a Cuban Government owned ship was seen anchored off the Bahamas with a cargo boom for offloading and a small boat alongside which had large burlap covered bales visible on deck.

Although this series of reports during the 1970s continued to suggest Cuban Government involvement, it did not provide solid evidence of such activity. In addition, no reports during this period confirmed a connection between international terrorism and Cuban involvement in narcotics trafficking.

The best evidence to date of a Cuban narcotics/terrorism link became available in connection with a indictment of 14 persons in Federal District Court in Miami in November 1982, including four high-level Cuban officials (Fernando Ravelo Renedo, a former Cuban Ambassador to Colombia; Gonzalo Bassols Suarez, former Deputy Chief of Mission at the Cuban Embassy in Bogota; Rene Rodriguez Cruz, President of the Cuban Institute of Friendship with the Peoples; and Aldo Santamaria Cuadrado, Vice Admiral of the Cuban Navy).

This case, known popularly as the Guillot Lara case, documented Cuban Government actions to facilitate drug

trafficking through the Caribbean as well as the shipping of arms to the M-19 guerrilla forces in Colombia. The Cuban Government has vigorously denied any involvement and the four indicted Cuban officials have not appeared for trial. However, the majority of the other persons indicted who did stand trial were convicted.

Subsequent reports indicate that Cuba continues to facilitate narcotics trafficking through the Caribbean. For example, the Drug Enforcement Administration has noted that the chartboard on a vessel seized in 1981 tracked the boat from Havana to Tampa Bay. The diary of a boat seized in 1983 showed an itinerary which included Cuba. In September of that year, the wreckage of an airplane involved in narcotics trafficking contained a let down chart for Varadero, Cuba, and its fuel tank contained a mixture of fuel not available in Jamaica (its point of departure) or in the United States (where it crashed).

Press reports from Colombia in late March of this year quoted Colombian officials as asserting that airplanes carrying drugs out of the country returned with cargoes of Cuban-supplied weapons for the FARC guerrilla forces. However, these and other reports that Cuba is currently engaged in drugs for weapons deals have not been confirmed. On the other hand, the absence of such confirmed reports does not mean that Cuba is no longer interested in making such arrangements.

Nicaragua

Within the past year, two officials of the Nicaraguan Government of National Reconstruction (GRN) have been charged with involvement in cocaine trafficking. The evidence in both cases appears credible. There are indications that high GRN officials were involved in this trafficking.

In late July 1983, Canadian authorities arrested Rodolfo Palacios Talavera, a First Secretary of the GRN's Embassy in Ottawa for possession of cocaine with an estimated value of $10,0000. According to an unconfirmed report from a police informant, the Nicaraguan diplomat was part of a major drug trafficking ring which included Interior Minister Tomas Borge and other senior Sandinistas. Following judicial wrangling over his diplomatic status, Palacios was declared persona non grata in February 1984 and departed Canada, presumably for Nicaragua.

In mid-July 1984, a federal grand jury in Miami, Florida, indicted 11 persons including an aide to Interior Minister Borge on cocaine smuggling charges. According to the indictment, Frederico Vaughan actively assisted Colombian smugglers in their efforts to ship 1,500 kilos of cocaine to the United States. The indictment, which is based in large part on the testimony of a U.S. Government informant in direct

contact with Vaughan, further alleges that Vaughan had a standing arrangement with the Colombians to assist cocaine trafficking using GRN facilities.

The fact that, according to the complaint, GRN troops assisted in loading the cocaine onto the plane, and that the plane was allowed to park at the military part of the Managua airfield, suggests approval and participation by additional GRN officials.

In recent months there have been other public allegations that Sandinista officials were involved in drug trafficking as part of a state-sanctioned policy. For example, the anti-GNR group ARDE has claimed that Sandinista Air Force Commander Raul Venerio used planes of the Nicaraguan Airline.Aeronica to transport narcotics to and from Colombia. We are unable to verify this accusation. GNR officials have denied any official involvement in the narcotics trade. There is ample documentation of Sandanista support for terrorism and subversion in Central America. I would call your attention in this regard to the recent joint Department of State/Department of Defense background paper on Nicaragua. Sandanista involvement in drug trafficking would be consistent with their flouting of the rules of respected international behavior.

Peru

Narcotics-related violence in Peru has been on the upswing since late 1983, particularly in the Upper Huallaga region. The Government of Peru analysis, as expressed by Interior Minister Percovich and others, is that the Maoist terrorist group Sendero Luminoso (SL) has established close ties to international narcotics traffickers. The links are purportedly based on arms and money supplied by narcotics interests to the terrorists in return for protection against law enforcement authorities. Peru's major coca growing regions, including the Upper Huallaga, are far from Lima in remote and often inaccessible locations. Because of the limited U.S. official presence, as well as the particularly secretive nature of SL, we do not have a complete understanding of the interaction between terrorists and narcotics interests.

The facts available to us, however, do not indicate that international traffickers and SL maintain a structured relationship or that they take joint actions in pursuit of common objectives or mutual assistance. We understand that statements by SL terrorists captured in the Upper Huallaga strongly suggest that they and narcotics interests are working in the same geographic area, taking advantage of the same environment (sparse government presence, general climate of lawlessness, etc.) but operating separately. Weapons seized by

security forces in anti-terrorist actions have reportedly consisted of dynamite, homemade devices and small arms stolen from local police. These are not the kind of weapons normally associated with the international narcotics traffic. Furthermore, SL interests would appear to differ from those of narcotics growers and traffickers in important respects. Narcotics elements in Peru try to maintain the lowest profile possible to avoid law enforcement attention. SL terrorists, on the other hand, thrive on the fear and chaos produced by public knowledge of their depredations. In addition, SL is characterized by ideological rigidity and, unlike revolutionary movements elsewhere, has demonstrated no willingness to make the kinds of tactical arrangements with corrupt elements of society or other political groups to advance its goals.

There is, however, substantial reason to believe that coca growers have become prime targets for SL recruitment. Many growers in the Upper Huallaga Valley are recent immigrants from the highland areas where SL has established certain roots. Unfamiliar with the traditional society or ecology of their new home, they frequently feel homesick and alienated. These immigrants speak the same language (Quechua) as do SL's terrorist recruiters and have similar cultural backgrounds. Many see coca eradication efforts as a threat to their survival. When recruiters announce that they have come to protect the livelihood of growers against government

interference, they find some ready listeners. Paradoxically, the growing success of U.S.-funded eradication efforts may be making the remaining growers more desperate and more susceptible to the blandishments of terrorist recruiters.

Similar terrorist-grower interaction may also be occuring in other coca-growing areas. For example, recent demonstrations by licensed coca-growers in the Cuzco area, protesting low prices paid by the GOP coca monopoly ENACO, showed signs of political sophistication unexpected among frequently illiterate growers. The way this protest unfolded suggested that terrorist recruiters may well be playing on fears of coca growers in that area to gain recruits.

It should be clearly understood that a considerable amount of the violence in the Upper Huallaga region is criminally motivated and without ideological connotations. Repeated threats to and attacks on coca eradication workers and bombings of narcotics program headquarters have not been accompanied by standard terrorist propaganda. The April murder of the mayor of the Upper Huallaga town of Tingo Maria also lacked political connotations. Most recently (July 24), two men arrested while attacking eradication workers with dynamite and guns proved to be thugs hired by coca growers whose fields were scheduled to be cleared the following day.

The Peruvian government has moved in recent months to meet the serious problems posed by terrorist and narcotics activities in Upper Huallaga region. In the May-July period, it mounted two major operations in the area, "Bronco" and "Pirana", directed against these two threats, utilizing locally-based police and trained police commandos supported by Air Force helicopters. These two operations resulted in destruction of 44 clandestine airstrips and the confiscation of 304 kilos of coca paste and 2,167 kilos of coca leaf. They also resulted in the capture of some 200 alleged terrorists, the destruction of three SL training/indoctrination centers, and the confiscation of large amounts of arms and subversive literature.

Subsequent to these operations, local UMOPAR police personnel have continued to guard eradication workers and to patrol the area. Their numbers and logistics, however, are inadequate to cover the enormous amount of terrority involved and to deal adequately with the magnitude of the parallel and overlapping terrorist and narcotics challenges. The Minister of Interior announced July 20 that the anti-terrorist effort in Peru would be taken over by the Armed Forces. The form this increased military role will take is not yet clear and, for national security reasons, is not likely to be publicized. However, we have reason to believe that a military presence will soon be established in the Upper Huallaga as part of a major Peruvian government effort to reestablish control and respect for the rule of law in the area.

End

Senator HAWKINS. Thank you.

Commissioner von Raab, the Guillot-Lara case proves that in the drug trafficking structure the same people, the same planes, and the same ships were used for guns and drugs.

Commissioner VON RAAB. That is correct.

Senator HAWKINS. Cocaine and marijuana were smuggled north to the United States to hurt the United States, and guns and money were shipped south to supply Cuba and the M-19 for the purpose of overthrowing the freely elected Government of Colombia, and that is all a matter of record.

Based on your review of Customs' investigations and intelligence, what do you believe is the goal and the level of involvement of the Cuban Government in narcotics trafficking?

Commissioner VON RAAB. Well, of course, no one can ever have the opportunity to ask the Cuban Government what their level of involvement is and what their goal is, but it certainly is a sinister and evil one, and if it is not one of direct agreement, it certainly is one of the worst managed law enforcement efforts in terms of preventing this from taking place because it is well known that Cuba does provide safe havens, and that it is easy for drug smugglers to fly across the country.

So they either know of it and allow it, or else they have the worst law enforcement organization the world has ever known, and I certainly do not believe that.

Senator HAWKINS. During the past few weeks there have been numerous reports of direct involvement by senior members of the Nicaraguan Government in narcotics trafficking. I have the indictment that was filed in my hand. Consistent with your responsibility to protect intelligence sources and methods and pending investigations, do you personally believe that senior members of that Government are engaged in narcotics trafficking?

Commissioner VON RAAB. Yes, I do.

Senator HAWKINS. Thank you very much. That is all I have at this time.

I know your time is needed also elsewhere.

Mr. Mullen, some of the weapons displayed here on this table were seized in a raid of the headquarters of the notorious Thai drug warlord Khun Sah. We have information in the cable which I have here that weapons captured in this raid included a large number of Soviet and Chinese made rifles and machineguns, grenade launchers, antitank rocket launchers, and assorted sophisticated communications equipment, and an impressive amount of ammunition.

Since a large amount of narcotics producing equipment was also seized, can you explain to me, Mr. Mullen, why a band of narcoterrorists should possess the military capability of a full-scale army?

Mr. MULLEN. Because they are armies, to begin with, the Shan United Army and the Burmese Communist Party are well funded through their trafficking activities, and the original goals of these groups were, in the case of the Shan United Army, to set up an independent Shan State in parts of Burma and in parts of Thailand. The Burmese Communist Party has as a goal to take over the Government of Burma and set up a Communist state there.

So they are well funded. They are, in fact, small armies, and when the Thai national police, the Thai army and the Burmese army do battle with this group, they are at war. That is why they have sophisticated weapons. They have the capability to pay for them, and although their original goals were political, their primary activity now involves drug trafficking.

Senator HAWKINS. Where do they secure such sophisticated equipment?

Mr. MULLEN. I do not have that intelligence, Senator Hawkins, but the arms are readily available throughout the world if you have money to pay for them. Earlier we mentioned the Bulgarian connection in the Kintex Co. This is one means by which terrorist groups secure sophisticated weapons of all sorts.

Senator HAWKINS. There exists a school of thought that terrorism has worked because Soviet sponsorship of international terrorism is accepted as fact, and in attempting to deal with it, the policy implication is that accommodation with the Soviet Union is necessary. How do you feel about that?

Mr. MULLEN. I would probably have to go on a case-by-case basis, but I would certainly say that there is involvement in international terrorism because Soviet weapons turn up in so many cases. So I would generally agree with the statement, but again, it would have to be on a case-by-case basis and depending on the nature and political goals of the terrorist group.

Senator HAWKINS. To your knowledge, is financier Robert Vesco involved at this time in drug trafficking activities in Central or Latin America?

Mr. MULLEN. It is my opinion that Robert Vesco is involved in drug trafficking activities, but we do not have a complete handle on just how deeply he is involved.

Senator HAWKINS. In Central and Latin America?

Mr. MULLEN. Throughout Latin America.

Senator HAWKINS. Mr. Taylor, can you answer the following questions? In July 28, President Belaunde in Peru, in his state of the union address, said that narco-terrorism was one of the three causes for Peru's economic crisis. Yet you state there is no conclusive evidence of a link between terrorists, such as the Sendero Luminoso and the cocaine trade.

Would you like to rethink that, or do you have any personal thoughts?

Mr. TAYLOR. Based just on his statement, there would appear to be a contradiction between our statement and President Belaunde's. I think it comes back to the issue of definition. We would certainly agree with the Peruvian Government and with the President regarding the evidence of strong association between the Sendero Luminoso and narcotics traffickers.

What our expanded statement to the committee details is that we do not have evidence of a structured or philosophical linkage. These groups operate in the same areas. They recruit from the same rural areas and populations. The people in the Upper Huallaga area, where there is a lot of narcotics violence, are from the same language group as where the Sendero Luminoso operates.

However, the distinction would be illustrated by a very serious "terrorist" attack that just occurred a few days ago in the Upper

Huallaga Valley, where about 100 narcotics traffickers destroyed a palm oil factory, and in the course of that, they not only destroyed the factory. They destroyed a lot of personal property of the workers there as well. They harangued them, but in the process, they did not use, by our good information, any Marxist or revolutionary language. They did not distribute the usual kind of literature or put up the type of graffiti that the Sendero Luminoso is known for. The complaint of the traffickers was that the factory was not allowing the traffickers to use their airfield, and that the factory also was offering a hope for a new type of income other than cocoa.

I give that as an indication because it represents the distinction that we are trying to make, not that the Sendero Luminoso do not have an association with traffickers, but there is another type of violence that occurs in the area that impedes our efforts and those of the Government of Peru as much as Sendero Luminoso.

Commissioner VON RAAB. Senator, if I might just mention on that point a conversation that I had, and I am not quite sure whether you were present at the time, but when President Belaunde was describing to us the murder of 18 of his Guardia Civil who were headed out on a drug enforcement effort, as I recall, he said they were met by 2 columns, each of 100 terrorists, and he also pointed out, which I found very, very interesting that there were Cuban officers among those 2 columns.

So certainly the terrorists, whatever you want to call them, in Peru are actively opposing the Government's efforts to enforce the drug laws, and these were not poor farmers who were lined up 100-strong with very, very sophisticated weapons, helped by Cuban officers. So to me that certainly made the point that there is a very close connection in Peru between, if not a partnership between, the terrorists and the drug traffickers.

Senator HAWKINS. Yes. I am glad you brought that up. I recall his stating the Cuban officers were leading the group.

Mr. Taylor, how high in the Sandinista Government does the evidence of drug trafficking go, in your opinion?

Mr. TAYLOR. Well, with respect to what Mr. Mullen said about this ongoing investigation, the information that we have seen indicates that it does go as close as the aide to the Minister of Interior Borge. Frederico Vaughan is one who is mentioned in this indictment. We consider that pretty close.

Of course, the Government of Nicaragua is denying this, accusing us of fabricating things for propaganda purposes. I think as the evidence shows in those indictments, the case is pretty clear.

Senator HAWKINS. We will have a witness on the next panel who is Nicaraguan who will testify. I imagine you will be interested in his testimony.

We hear that a lot of hashish and heroin is coming out of Lebanon and Syria. Do any of you on the panel know if this is true and how much? Has there been an increase, and who is responsible?

Mr. MULLEN. There are substantial amounts of hashish coming out of Lebanon, and for the most part it is destined for Western Europe and some in the United States, but not a lot. But it is being grown, and it is being trafficked, but again, mostly to Western Europe.

Senator HAWKINS. Mr. Taylor, can you address the reported accusations of China that Vietnam is engaged in drug traffickifg in opium production?

Mr. TAYLOR. We have heard various reports similar to those you read from the magazine, Thuc Tinh. Some of the interpretations of this are that the Government is allowing licensed cultivation for legal purposes, and almost an equal number of interpretations are that it is, as the magazine would suggest, being done for illegal gain.

As in the case of Cuba, as Mr. von Raab mentioned, unfortunately we do not have access to Vietnamese authorities to present these reports and discuss them with them. So I cannot confirm or deny these allegations.

Senator HAWKINS. Can you comment on the reports that drugs were found and drug money was involved in the Sikh uprising in India?

Mr. TAYLOR. All that I know of that is from the press. I will be glad to give more information and submit it for the record.

Senator HAWKINS. Thank you.

The PLO have been called the plutocrats of terrorist. Are their worldwide terrorist activities financed in whole or in part by drug trafficking? Does anyone know on this panel?

Mr. MULLEN. The PLO, in part, finances its activities from drug trafficking. That organization has been involved to some degree in drug trafficking, but so have other terrorist or insurgent groups in Lebanon.

Senator HAWKINS. It has been reported that transshipment routes using national airlines and trains have been utilized in Vietnam and East Germany. Can you comment on this, anyone?

Mr. MULLEN. I cannot, Senator Hawkins.

Senator HAWKINS. Could you find out for me and submit it for the record?

Mr. MULLEN. I will do that.

[Information supplied for the record follows:]

There is no evidence that the Socialist Republic of Vietnam uses its national airline or rail system to ship narcotics.

The Lao People's Democratic Republic (LPDR) claims that the opium it produces for domestic consumption and for export is used solely for pharmaceutical purposes. In the past, the Soviet Union, Bulgaria and Vietnam have received multi-ton quantities of Lao opium. There is no recent information to indicate that such trade is continuing. These shipments were in violation of the 1961 Single Convention on Narcotic Drugs, since the LPDR neither sought prior approval nor registered those exports with the United Nations Economic and Social Council.

Allegations have been made that the LPDR also trades in illicit narcotics. While such accusations cannot be corroborated directly, some reporting over the past few years supports the contention that Lao Government officials are involved in such trade either independently or with apparent Government sanction.

Bulgaria and Yugoslavia are the principal east European drug transit countries involved in heroin and hashish traffick by Turkish and European traffickers. Although enforcement cooperation and information exchange is satisfactory with Yugoslavia, Bulgaria is very reluctant to share investigative information or to exchange drug intelligence with U.S. or European law enforcement agencies and thereby provides a relative safe haven for drug traffickers.

Berlin continues to be a point of entry for heroin destined for Europe. It is most often brought to East Berlin by third-world couriers taking advantage of their status as political refugees. Once in East Berlin, the heroin is then moved to West Berlin by way of the Berlin subway for transmittal to the rest of Europe. The year 1982 marked the beginning of couriers from Sri Lanka transporting narcotics to East Berlin in exchange for promised visas which would grant them permanent residency in West Berlin.

Although overland trafficking routes continue to be favored, both air couriers and air freight have been used to transport some heroin from Turkey to Western European destinations via Russian and East European airports.

Attached is a DEA report detailing Bulgaria's involvement in international narcotics trafficking.

THE INVOLVEMENT OF THE PEOPLE'S REPUBLIC OF BULGARIA IN INTERNATIONAL NARCOTICS TRAFFICKING

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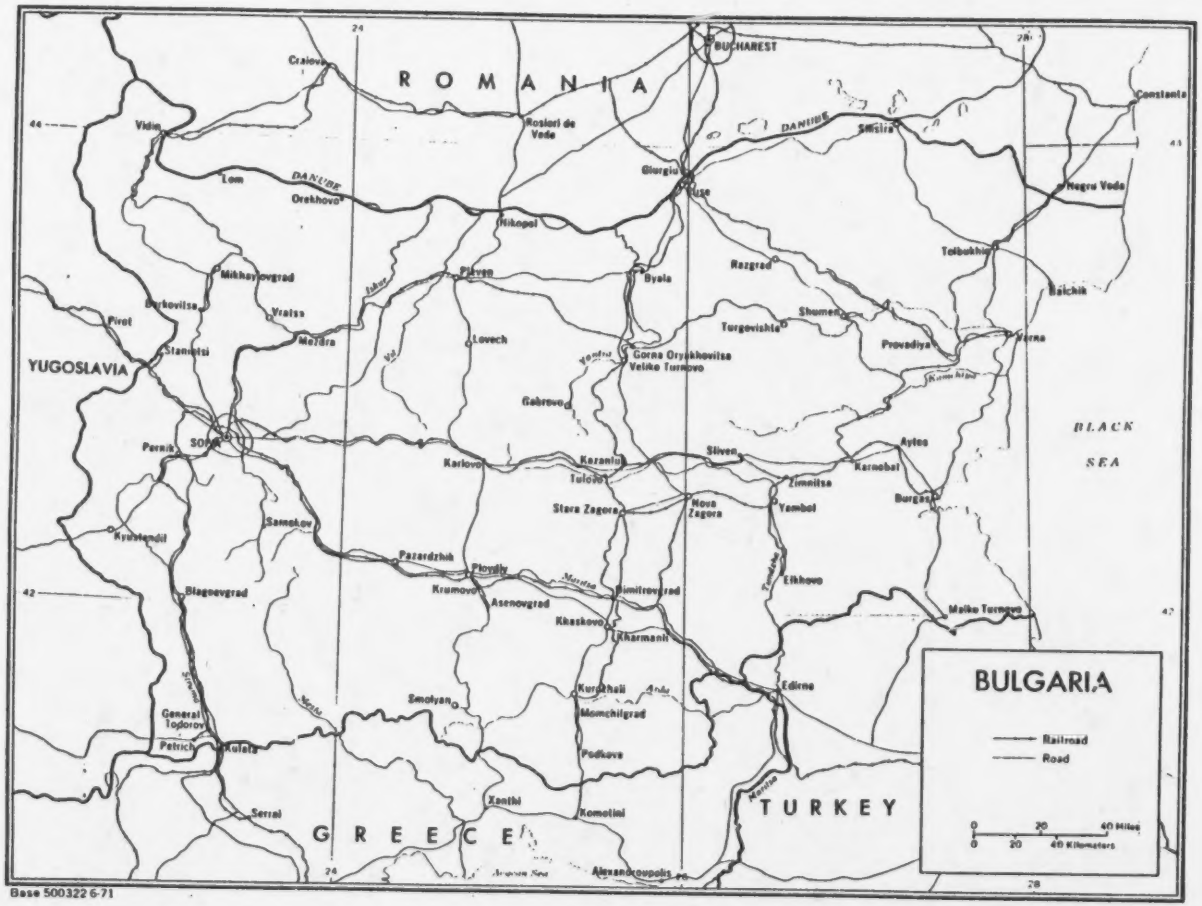
INTRODUCTION

Information accumulated by the Drug Enforcement Administration (DEA) and its predecessor agencies over the past 14 years indicates the Government of Bulgaria (GOB) appears to have established a policy of encouraging and facilitating the trafficking of narcotics under the corporate veil of KINTEX. KINTEX is the official import/export agency of the GOB, overseeing the international trade of such legitimate commodities as arms, textiles, appliances, and cigarettes. Since 1970 and continuing to the present, DEA has received statements from several different sources delineating Bulgaria's involvement in illicit trafficking activities. Descriptions of Bulgaria's motives and methods of operations, the involvement of government officials, government agencies, and selected arms and narcotics traffickers, have remained consistent over the years. The reliability of this information coupled with disappointing responses from the GOB when confronted with these allegations led the United States, in the fall of 1981, to suspend working relations with the GOB in the area of law enforcement.

EUROPE

GREENLAND
(Denmark)
Jan Mayen
Norwegian Sea
Reykjavik
ICELAND
Faroe Is.
(Den.)
NORWAY
SWEDEN
FINLAND
Helsinki
Oslo
Stockholm
Baltic Sea
Moscow
DENMARK
Copenhagen
Glasgow
North Sea
U.S.S.R.
Dublin
IRELAND
UNITED
KINGDOM
Amsterdam
GERMAN
Berlin
Warsaw
London
NETH.
FEDERAL
DEM. REP.
POLAND
NORTH ATLANTIC
OCEAN
Brussels
BEL.
Bonn
Prague
Paris
REPUBLIC
of GERMANY
CZECH.
Frankfurt
Vienna
Budapest
München
AUSTRIA
HUNGARY
FRANCE
SWITZ.
Bern
ROMANIA
Black Sea
Belgrade
Bucharest
ITALY
YUGOSLAVIA
BULGARIA
Sofia
Marseille
Rome
Tirana
AL
Ankara
PORTUGAL
Madrid
Lisbon
SPAIN
GREECE
TURKEY
Athens
Gibraltar (U.K.)
Algiers
Tunis
Sicily
Malta
Crete
Mediterranean Sea
MOROCCO
ALGERIA
TUNISIA
LIBYA
EGYPT


ROMANIA
BUCHAREST
Craiova
Vidin
Lom
DANUBE
Orekhovo
Rosiori de Vede
Giurgiu
Ruse
DANUBE
Silistra
Constanta
Negru Vode
Tolbukhin
Razgrad
Baichin
Shumen
Turgovishte
Provadiya
Varna
Mikhaylovgrad
Berkovitsa
Vratsa
Pirot
Montana
Pleven
Byala
Lovech
Gorna Oryakhovitsa
Veliko Turnovo
Gabrovo
YUGOSLAVIA
Pernik
SOFIA
Kyustendil
Samokov
Karlovo
Kazanlŭk
Tulovo
Sliven
Aytos
Karnobat
Zimnitsa
Burgas
Yambol
Stara Zagora
Nova Zagora
BLACK SEA
Pazardzhik
Plovdiv
Etkhovo
Blagoevgrad
Krumovo
Asenovgrad
Dimitrovgrad
Maritsa
Tundzha
Khaskovo
Kharmanli
Malko Turnovo
Edirne
Kurdzhali
Arda
Smolyan
Momchilgrad
General Toshevo
Petrich
Kulata
Nestos
Struma
Podkova
Xanthi
Komotini
Serrai
GREECE
TURKEY
Alexandroupolis
Maritsa
BULGARIA
Railroad
Road
0 20 40 Miles
0 20 40 Kilometers
Base 500322 6-71

Background

Press coverage of Bulgaria's involvement in illicit activities began as early as 1972 when the syndicated columnist Jack Anderson quoted portions of a classified CIA document which called Bulgaria "the new center for directing narcotics and arms trafficking between Western Europe and the Near East." In 1973, the Long Island newspaper Newsday began a 40-part series, "The Heroin Trail." An installment entitled "The Bulgaria Connection: A Throughway for Drugs" cited the use of KINTEX by the Bulgarian government to smuggle arms and drugs. It was alleged that arrangements were made by KINTEX with selected Turkish traffickers, allowing morphine base to move through Bulgaria in exchange for the transport and delivery of guns and ammunition to left-wing terrorist groups in Turkey. More recently, "The Plot to Murder the Pope" and The Time of the Assassins by Clare Sterling; "The Plot to Kill the Pope: The Bulgarian Connection -- Was the KGB Behind It?" by Paul Henze; and "Drugs for Guns: The Bulgarian Connection" by Nathan Adams have been published. These authors contended the existence of a complex and well-calculated Warsaw Pact conspiracy which is planned and directed at undermining and destabilizing Western societies.

In the latter article, "Drugs for Guns: The Bulgarian Connection," appearing in the November 1983 issue of Reader's Digest, Nathan Adams interviewed an ex-Bulgarian State Security officer who stated that, in 1967, the heads of the Warsaw Pact Security Services met in Moscow, U.S.S.R. to "exploit and hasten the inherent 'corruption' of Western society." According to the source, a subsequent meeting of Bulgarian State Security officers was held in Sofia, Bulgaria to devise a three-year implementation of this strategy. The article further stated that a Bulgarian State Security directive was issued in July 1970, the subject of which was "the destabilization of Western society through, among other tools, the narcotics trade." The vehicle chosen to operationally execute this strategy was KINTEX.

Although DEA has neither information on the State Security meetings of 1967 nor the directive of 1970, an independent source of information of one of DEA's predecessor agencies corroborates the formation of KINTEX during this time.

In 1970, a source alleged that KINTEX was formed in 1968 as the result of the merging of three commercial import/export firms. According to the source, the directors of KINTEX were top ranking members of the Bulgarian intelligence service. As a source of income, the Bulgarians, through KINTEX, were active in assisting the flow of illicit arms and ammunition throughout

Europe to the Middle East and had recently begun to sell seized heroin and morphine base to European traffickers. The source further disclosed an alleged plan by the directors of KINTEX to licitly import large amounts of opium into Bulgaria for conversion into morphine base and heroin by selected Turkish traffickers in Sofia. Prior to the disclosure of this plan for the manufacturing of narcotics in Sofia, West German authorities, in December 1969, seized 200 kilograms of morphine base at Frankfurt. Chemical analysis performed by German chemists indicated that the morphine base was produced in Sofia. This conclusion was due to the presence of chemicals found in the base used only in that area. A Turkish national and two Syrians were arrested at the time of the seizure; subsequent investigation revealed the source of supply to be a Turkish national based in Sofia.

It also appears to be more than coincidental that at the same time information on Bulgaria's involvement in the narcotics traffic began to surface, the GOB became highly receptive to overtures made by the United States on the subject of U.S./Bulgaria cooperation in the interdiction of drugs. In June 1971, the U.S. Commissioner of Customs met with the Bulgarian director of customs for the purpose of developing a customs agreement; in October 1971, Sofia hosted a conference of customs directors from Soviet Bloc nations. In November 1971, a tentative agreement was reached between Bulgarian Customs and U.S. Customs and the Bureau of Narcotics and Dangerous Drugs (BNDD) for an exchange of information and for the U.S. training of Bulgarian customs officials. When the Newsday article was published in February 1973, Bulgarian officials denied the article's allegations, warning that the publication of the KINTEX story might damage the newly-formed U.S./Bulgaria narcotics agreement. The GOB today defends itself against allegations of drug involvement by citing its repeated efforts in the area of narcotics interdiction and its sponsoring of international customs conferences.

From 1971 through 1981, the GOB expressed a willingness to cooperate only in the area of border enforcement. Any proposals for expanded cooperation in the area of internal narcotics control were strongly resisted. The GOB continually insisted on a mutual exchange of information and, moreover, lamented the fact that there was not a greater exchange of intelligence. Yet, when DEA passed information to the Bulgarians for follow-up action over the 10-year period, the results were less than cooperative. On at least five separate occasions, information was passed on scores of Turkish, Syrian, and Jordanian traffickers based in Sofia. The Bulgarian side promised a full and prompt investigation, the results of which would be forwarded to DEA. The Bulgarians, in

turn, provided DEA with only a list of recent seizures made by Bulgarian customs each time. Bulgarian customs officials are known among smugglers in Europe and the Middle East to conduct the most thorough customs checks at their borders, both upon entry and departure. Although they seize tremendous amounts of contraband, primarily hashish, they are principally apprehending the more amateur traffickers while at the same time directing sponsored contraband through Bulgaria.

Political Motivations

While an ultimate goal of using drugs as a political weapon to destabilize Western societies may be inferred, more immediate motives for Bulgaria's encouragement and support of both narcotics and arms smuggling activities may be categorized as follows:

1. An attempt by the GOB to obtain hard (Western) currency which is in short supply in Bulgaria;

2. An attempt to supply and support several dissident groups in the Middle East with Western arms and ammunition, in support of communist revolutionary aims. Payments for arms at times are made by these revolutionary groups with narcotics, which then are smuggled to Western democracies and sold at a considerable profit; and

3. Intelligence gathering requirements which the Bulgarians are able to levy on the various traffickers in both the Middle East and in Western Europe by allowing and supporting such traffic.

Key Trafficking Figures

In virtually every report available to DEA since 1970 containing information on trafficking in and through Bulgaria, the state trading organization KINTEX is mentioned as a facilitator of transactions. In turn, sources consistently state that top-ranking members of the Bulgarian intelligence service and/or former heads of Bulgarian ministries comprise the directorate of KINTEX. The Bulgarian State Security Service is the most closely aligned to the Soviet Union of all Soviet Bloc nations.

Certain smugglers are permitted to conduct their activities within and through Bulgaria. In effect, Bulgarian officials, through KINTEX, designate "representatives" to operate as brokers who establish exclusive arrangements with smugglers for bartered contraband for a fee. These representatives and smugglers are non-Bulgarians, primarily composed of Turkish

nationals of Kurdish ethnicity. Selected smugglers, however, also include Syrian, Iranian, Jordanian, Lebanese and European nationals. KINTEX has in the past denied any knowledge of or association with these representatives. Bulgarian officials, in defense of trafficking allegations, claim the presence of foreign nationals on their soil constitutes no crime. They further emphasize the fact that no Bulgarian nationals have been implicated in large-scale drug smuggling activities either inside or outside Bulgarian territory.

Among the more notable traffickers linked to KINTEX are Turkish nationals Abuzer UGURLU, Bekir CELENK, and Mustafa KISACIK, members of the "Turkish Mafia." The "Turkish Mafia" is a loosely organized group of highly-publicized arms and narcotics traffickers based in Istanbul, Turkey. Through their illicit activities, members of the Turkish Mafia have achieved considerable notoriety and wealth, funneling their profits into legitimate enterprises including shipping and trucking firms. A majority of the members of the Turkish Mafia have either been imprisoned in Turkey or are currently fugitives from Turkey for narcotics and terrorist-related offenses. Among other traffickers associated with KINTEX are Syrian nationals Henri ARSAN and Sallah WAKKAS. Both WAKKAS and ARSAN, the latter having died in an Italian prison, were key figures in the movement of morphine base to Italian and French laboratories during the "French Connection" era. It should be noted that while these major figures were involved in the movement of contraband in and through Bulgaria they also conducted smuggling operations independent of Bulgaria.

Incidental to drug-related investigations overseas, a limited amount of terrorist-related activity has been made known to DEA. In its quest for hard currency, KINTEX assists the flow of illicit arms and ammunition primarily to left-wing insurgency groups, although it has been known to supply terrorist groups regardless of political affiliation. According to press releases, prior to the civil war in Lebanon, in 1974 and 1975 Bulgaria sold several shiploads of arms to right-wing Christian militias until the local communist party in Lebanon protested that the weapons would be used against its members and their left-wing and Palestinian allies. DEA reporting indicates that KINTEX chiefly has supplied weapons through Turkish traffickers to leftist terrorist groups in Lebanon and Turkey. Some Turkish and Iranian traffickers, who are known representatives of KINTEX in Bulgaria, have also been named as associates of members of the right-wing "Baskurtlar" or "Gray Wolves" in Istanbul and Frankfurt, West Germany; however, no direct association between KINTEX and the "Gray Wolves" has been reported to DEA.

On June 30, 1983, A DEA representative from Austria met with a high-level Bulgarian customs official in Sofia. This official responded to a question on Bulgarian arms smuggling by stating that the United States was "also" a major supplier of arms. By inference, this was an admission that Bulgaria dealt in arms.

When countered with the distinction between U.S. weapons sales to established governments and illegal Bulgarian sales, he replied that Bulgaria sells arms to organizations representing "freedom fighters" whom it considers as legitimate as established governments.

KINTEX Structure and Methods of Operation

KINTEX is structured as an umbrella organization which orchestrates the trafficking of contraband through Bulgaria. KINTEX has been identified as the principal narcotics and weapons shipping agency; other government agencies have been identified as operating in conjunction with KINTEX, primarily as distribution outlets. Each of these agencies reportedly is headed by Bulgarian State Security officials. Additionally, Bulgarian customs officials have been implicated in assisting traffickers and their vehicles from or through Bulgaria.

A scenario typical of a KINTEX operation is as follows: A European arms dealer, a sanctioned customer of KINTEX, purchases weapons from Western or Eastern European countries through licit or illicit channels. The arms dealer sells these weapons to KINTEX through a representative in Sofia. These weapons, in turn, are resold to a Middle Eastern trafficking group, which then supplies an insurgency group. Payment to KINTEX from the Middle Eastern group may take the form of heroin in selected cases. The heroin is then sold through KINTEX to selected Western European trafficking groups.

Transportation Methods

While contraband transiting Bulgaria at times is transported via vessel to customers in Western Europe or the Middle East, the majority is carried overland by truck. As early as 1972, information available to DEA cites the use of Iranian, Turkish, and Bulgarian TIR trucks to smuggle illicit goods through Bulgaria. A number of Turkish patrons of KINTEX are owners of TIR trucks.

The Customs Convention on the International Transport of Goods under the cover of TIR (Transport International Routier) Carnets is a multilateral treaty under the auspices of the United Nations. It is a worldwide instrument which provides

for a customs transit system to facilitate the international transport of goods by eliminating, to the extent possible, the necessity for customs examination of road vehicles as well as containers carried on road vehicles at each international border. This system has been operative under the 1959 TIR Convention and under an earlier 1949 Agreement. Upon its entry into force, the 1983 TIR Convention will terminate the 1959 Convention.

Road vehicles and containers which have been previously approved for the transport of goods under customs seal are sealed after normal customs formalities at the beginning of the journey and are not inspected again until the end of the journey. The goods are moved under cover of a TIR Carnet, an international customs document which incorporates a financial guarantee covering payment of duties, taxes, and other charges. The technical annexes of the Convention include regulations on technical conditions applicable to road vehicles and containers which assure that customs seals can be simply and effectively affixed, and that no goods can be removed from or introduced into the sealed part of the container or vehicle.

The United States, all major European countries including Bulgaria, and the Southwest Asian countries of Afghanistan, Iran, and Turkey are participants in this international agreement. It is estimated that at least 50,000 trucks per year transit Bulgaria and Yugoslavia either to or from the Middle East and Europe. Approximately half of these vehicles are TIR trucks.

A preferred method of smuggling narcotics aboard TIR trucks is within "traps" built into the vehicle itself; "traps" built into the gas tanks are the most reported method. To a lesser extent, narcotics from Southwest Asian source countries are concealed within legitimate cargo, undergoing only cursory examination at the source with the knowledge and complicity of a customs official. Because of their exemption from customs examination and the volume of traffic, TIR trucks are rarely searched enroute to their destination unless specific intelligence information is transmitted to appropriate customs officials.

Status in International Affairs

Although the reporting of Bulgarian involvement in narcotics trafficking continues to date, the amount of heroin and morphine base transiting Bulgaria is not as significant as in the past. During the "French Connection" era, several

traffickers operating from Bulgaria were identified as key suppliers of morphine base to laboratories in France and Italy. The situation in Bulgaria has been overshadowed in the past few years by the enormous availability of processed heroin trafficked directly from Southwest Asian countries to consumer markets in Western Europe and the United States. In light of the increased reporting of heroin laboratory activity in eastern Turkey, which had remained dormant during Turkish military rule from 1980 until 1983, the trafficking activity through Bulgaria may escalate.

The DEA office in Vienna, Austria continues to have responsibility for the reporting and dissemination of narcotics-related activities in Bulgaria as well as limited liaison duties with Bulgarian officials through the American Embassy in Sofia. DEA has been instrumental in the development of demarches presented to the GOB by the U.S. State Department. In March of this year, the United States again formally voiced its concerns to the GOB, citing Bulgaria's continued toleration and facilitation of the activities of known drug and arms smugglers through KINTEX. Efforts are underway to enlist the cooperation and support of other concerned nations in the area of law enforcement and narcotics control through parallel demarches to the GOB.

APPENDIX

CHRONOLOGY OF EVENTS (1967-1984)

1967: (PRESS RELEASE) Per ex-Bulgarian State Security Officer, the heads of the Warsaw Pact Security Services met in Moscow to "exploit and hasten the inherent 'corruption' of Western society." A subsequent meeting of Bulgarian State Security (KDS) officers was held in Sofia to plan a three-year implementation of strategy.

1968: KINTEX was formed as the result of the merging of three commercial import/export firms.

June 1970: Source disclosed a plan by directors of KINTEX to licitly import large amounts of opium into Bulgaria for conversion into morphine base and heroin by selected Turkish traffickers in Sofia.

June 1970: (PRESS RELEASE) Per ex-Bulgarian State Security Officer, a KDS directive was issued on "the destabilization of Western society through. . . the narcotics trade."

June 1971: U.S. Commissioner of Customs met with the Director of the Customs Administration of the Bulgarian Ministry of Finance in Sofia to discuss the possibility of U.S./Bulgaria cooperation in the interdiction of drugs.

October 1971: Sofia hosted a conference of customs directors from Soviet bloc nations -- Poland, Yugoslavia, Romania, Hungary, and Bulgaria.

November 1971: U.S. Customs and BNDD representatives met with Bulgarian customs officials in Sofia to finalize arrangements for a U.S./Bulgaria cooperative effort.

April 1972: (PRESS RELEASE) A Jack Anderson column was published disclosing that a classified CIA document called Bulgaria "the new center for directing narcotics and arms trafficking between Western Europe and the Near East."

December 1972: Source disclosed the existence of a major trafficking ring based in Sofia, composed primarily of Turkish nationals with direct contacts with Bulgarian officials in Sofia.

February 1973: The Long Island newspaper Newsday began a 40-part series, "The Heroin Trail." An installment entitled "The Bulgaria Connection: A Throughway for Drugs" cited the use of KINTEX by the GOB to smuggle arms and drugs. Arrangements were made by KINTEX with selected Turkish traffickers, allowing morphine base to move through Bulgaria in exchange for the transport and delivery of guns and ammunition to left-wing terrorist groups in Turkey. As required, the Turkish patrons were expected to supply information to the Bulgarian Secret Police. The following Turkish traffickers, all owners of TIR trucks, were indentified: Ali Hikmet TEKIN, Mehmet TUYUSIGLU, Mustafa KISACIK. Salih YUNAN was identified as a gun smuggler who had worked for KINTEX.

February 1973: Bulgarian officials denied the article's allegations, warning that the publication of the KINTEX story might damage the newly-formed U.S./Bulgarian narcotics agreement.

1973: U.S. Customs initiated a series of training seminars at the Bulgarian customs training school at Varna, Bulgaria. Subsequent sessions were held in 1974 and 1975. It was noted that the GOB expressed a willingness to cooperate only in the area of customs enforcement. Any proposals for expanded cooperation in the area of internal narcotics control were strongly resisted.

March 1973: Source identified an Iranian national who headed a trafficking operation in Sofia in which narcotics, arms, counterfeit currency, and false documentation were smuggled with the knowledge, if not the aid, of the Bulgarian police authorities.

June 1973: (PRESS RELEASE) KINTEX was involved in the licit exportation of arms to Nigeria in the recent civil war with Biafra.

July 1973: Source stated that KINTEX employees insured the safe passage through Bulgaria of certain shipments of arms and ammunition. KINTEX was "the Bulgarian Secret Police and acted on secret orders from Moscow."

August 1973: Source identified a Jordanian national, a Turkish national, and a Bulgarian official as extensively involved in the trafficking of weapons from Bulgaria to Turkey and the trafficking of morphine base from Turkey and/or Bulgaria to Germany and France.

Early 1970's: (PRESS RELEASE) Syrian national, Henri Nikolaki ARSAN, was provided a villa in Sofia rent-free by KINTEX. ARSAN, a long-standing customer of KINTEX, served as a key morphine supplier to former "French Connection" traffickers.

April 1974: Twenty suspected Turkish, Syrian, and Jordanian traffickers operating from Sofia were identified.

May 1974: As a result of a March 1974 meeting with Bulgarian customs officials in which a mutual exchange of intelligence information was again discussed, DEA provided the Bulgarians with a list of 22 suspected traffickers thought to be operating from the Sofia region. The Bulgarian side promised a full and prompt investigation, the results of which would be forwarded to DEA. The Bulgarians, in turn, provided DEA with only a list of recent seizures made by Bulgarian customs.

August 1975: Detailed information on eight narcotic traffickers operating in Bulgaria was passed to Bulgarian officials via the American Embassy. No additional information on these subjects nor information on those passed during May 1974 was provided by the Bulgarians.

1974 & 1975: (PRESS RELEASE) Prior to the civil war in Lebanon, Bulgaria sold several shiploads of arms to right-wing Christian militias until the local communist party protested that the weapons would be used against its members and their left-wing and Palestinian allies.

1975: (PRESS RELEASE) In the mid-1970's, Syrian national Sallah WAKKAS, who had attended universities in Turkey and Sofia, established himself in the smuggling business in Milan, Italy. WAKKAS and a partner served as brokers for Middle East groups seeking buyers of heroin and morphine base.

1975: (PRESS RELEASE) Dutch arms and narcotics trafficker Jose Ferdinand DENIS was identified as a KINTEX client.

1975-1982: (PRESS RELEASE) Henri ARSAN invested millions of dollars in organized crime drug profits with KINTEX. The arms purchased were then shipped under the protection of the Bulgarian State Security from Bulgaria to left-wing extremists and insurgents in Lebanon and Turkey.

1976: Source was approached by the head of KINTEX to smuggle weapons to Turkey.

1976: Source stated KINTEX existed solely to facilitate the operations of smugglers living in Sofia, who were approved by a section of the Bulgarian Foreign Ministry.

1976: Source stated Bulgaria's encouragement and support of smuggling activity was due to: 1) an attempt by the Bulgarian government to obtain hard Western currency; 2) an attempt to supply and support several dissident groups in the Middle East with Western arms and ammunition, in support of communist revolutionary aims. Payments for arms were often made by these revolutionary groups with narcotics. 3) intelligence gathering requirements which the Bulgarians were able to levy on the various traffickers in both the Middle East and in Western Europe. Source provided names of approximately 15 Lebanese, Syrian, and Jordanian traffickers operating from Sofia.

July 1976: (PRESS RELEASE) An Associated Press news item appeared in a Swiss newspaper stating that strife in Lebanon had caused drug traffickers to seek a Bulgarian connection to Western markets.

October 1976: Through the American Embassy in Sofia, DEA requested additional information on 15 trafficking suspects operating in Bulgaria. No information was passed to U.S. authorities.

October 1976: During negotiations with KINTEX for a legitimate shipment of commodities, a source reported that KINTEX officials offered to sell him arms. He was advised that KINTEX had quantities of almost any commodity, except aircraft and vessels.

1977: (PRESS RELEASE) Turkish customs authorities stopped the vessel, "Wasoula," in Turkish waters carrying 495 grenade launchers and 10,000 rounds of ammunition that had been loaded in the Bulgarian Black Sea port of Burgas.

April 1977: Source identified a drug trafficker who had a close business relationship with a Bulgarian official in a company known as CORECOM. CORECOM was associated with KINTEX.

June 1977: Source stated that professional narcotics traffickers were aware of several representatives in Sofia who could be contacted prior to a shipment of contraband and who, for a fee, could guarantee safe passage through Bulgaria. These representatives, all of whom were believed to be non-Bulgarian nationals, worked for Bulgarian intelligence.

January 1978: The names of 11 additional suspected traffickers operating in Bulgaria were passed to Bulgarian officials for additional information. As in the previous instances, no further information was provided by Bulgaria.

April 1978: Source stated that there were three Bulgarian government agencies which also exported seized narcotics: KINTEX, TEXIM, and CORECOM. Each was headed by a State Security official. KINTEX was the principal narcotics and weapons shipping agency, staffed with many Bulgarian State Security officers.

September 1978: The GOB hosted an international narcotics coordination conference at Varna, Bulgaria.

February 1979: (PRESS RELEASE) Abdi IPEKCI, editor of the moderately leftist Turkish newspaper Milliyet and an influential commentator, was shot and killed in Turkey.

July 1979: (PRESS RELEASE) Turkish national Mehmet Ali AGCA (later convicted of the attempted assassination of the Pope) was arrested for IPEKCI's murder. At the time of his arrest AGCA confessed readily. AGCA implicated right-wing activist Yavus CAYLAN and stated he had received the murder weapon from Gray Wolf activist Mehmet SENER at a local Istanbul office of the Nationalist Action Party.

November 1979: (PRESS RELEASE) AGCA escaped from Kartal-Maltepe military prison in Turkey. A day later, AGCA sent a letter to the Milliyet stating if Pope John Paul's visit to Istanbul was not called off, "I will definitely kill the Commander-Pope."

November 1979: (PRESS RELEASE) In a second confession of Mehmet Ali AGCA in Rome, which was made public in late 1982, AGCA stated that Turkish terrorist Oral CELIK helped him escape from the Turkish prison.

May 1980: Source identified a Turkish national in Sofia, employed by KINTEX, who received substantial payment for the release of an individual arrested by Bulgarian authorities for heroin smuggling. The seized heroin remained in Bulgaria.

Summer 1980: (PRESS RELEASE) According to the initial confession of Mehmet Ali AGCA, AGCA entered Bulgaria in the summer of 1980 on a forged Indian passport in the name of Yoginder SINGH. He stayed at several expensive tourist hotels before checking into the Hotel Vitosha. There, an unidentified Syrian gave him the gun that was used in the attempted assassination of Pope John Paul II. AGCA made the acquaintance of Turkish national Omer MARSAN who procured a counterfeit passport for him, and was introduced to a Bulgarian named MUSTAEOF. MARSAN,

during questioning by West German police in May 1981, confirmed that he had stayed at the Hotel Vitosha at this time. He had met AGCA there, but had known him only as METIN. MARSAN insisted he was in no way involved in the plot.

Summer 1980: (PRESS RELEASE) In a later confession of AGCA, made public in late 1982, AGCA stated that during July 1980 in Sofia, Turkish arms and narcotics trafficker Bekir CELENK offered him 3 million German marks to kill the Pope. In this same confession, he named Turkish terrorist and alleged resident of Bulgaria, Oral CELIK, as the purchaser of the attempted murder weapon.

June 1980: Source identified a Turkish national who was arrested on narcotics charges in Bulgaria and released after a substantial payment to Bulgarian authorities.

October 1980: The GOB hosted an international customs conference at Varna, Bulgaria.

November 1980: (PRESS RELEASE) Source reported that the Vitosha Hotel in Sofia was used as a staging area and cache site by several Turkish narcotics traffickers who avoided the recent criminal round-ups conducted by Turkish authorities.

November 1980: The Istanbul newspaper Hurriyet disclosed a report prepared by the Turkish Security Organization entitled "Bulgaria's Activities in Arms Smuggling." The report stated that Bulgaria had set up a firm, KINTEX, run by the Bulgarian Secret Service which engaged in arms smuggling to Turkey.

February 1981: Source identified a Turkish trafficker who was involved in smuggling non-narcotic goods from Bulgaria to Turkey. Smugglers placed their orders through KINTEX in Sofia. Dispatch and clearance of goods were done by another official government agency in Burgas, Bulgaria. When available, KINTEX would also sell heroin to highly trusted customers. The goods and contraband purchased through KINTEX were escorted by official government agents to their border crossing.

February 1981: (PRESS RELEASE) Istanbul newspaper Hurriyet published an article on the illegal revolutionary-left terrorist organization "Dev-Sol." The article stated that the organization, which had been largely dismantled, ran businesses in Istanbul and established close relations with the Bulgarian government through underworld "fathers."

March 1981: (PRESS RELEASE) Istanbul newspaper Tercumen headlined the arrest of major weapons/narcotics trafficker Abuzer UGURLU. According to the article UGURLU complied with Turkish military decree by turning himself in to Turkish

authorities for questioning prior to the previously announced March 21, 1981, deadline. Another 44 previously announced subjects (suspected criminals) failed to meet the government deadline and were subject to losing their Turkish citizenship. Among those was Bekir CELENK. The article went on to say that UGURLU was employed by the Bulgarian firm "INTEX" (probably KINTEX) and through this firm facilitated weapons traffic to Turkey.

May 1981: (PRESS RELEASE) Pope John Paul II was shot in St. Peter's Square on May 13, 1981. The gunman, identified as Turkish national Mehmet Ali AGCA, was apprehended at the scene. Seized from AGCA, at the time of his arrest, were handwritten instructions in Turkish and two counterfeit passports issued in the names of Faruk OZGUN and Galip YILMAZ, containing pictures of AGCA and Turkish terrorist fugitive Omer AY, respectively.

May 1981: (PRESS RELEASE) An Italian police report dated May 27, 1981, implicated a Bulgarian known as MUSTAEOF along with 17 Turks and a Syrian as possible suspects in the assassination attempt of the Pope.

May 1981: (PRESS RELEASE) In the initial confession of Mehmet Ali AGCA, AGCA stated he acted alone, although he had been provided the gun by an unidentified Syrian and a false passport by Turkish national Omer MARSAN in Sofia in the summer of 1980. At this time AGCA was introduced to Bulgarian national MUSTAEOF.

In a later confession of AGCA, AGCA stated that Bekir CELENK offered him a large sum of money in Sofia in July 1980 to kill the Pope. CELENK also introduced AGCA to Bulgarian nationals Sergei Ivanov ANTONOV, head of the Balkan Airlines office in Rome, Italy; Jelio Kolev VASSILIEV, assistant to the Bulgarian Embassy's military attache in Rome; and Teodorov AYVAZOV, a cashier at the Bulgarian Embassy in Rome. These Bulgarians, according to AGCA, helped plan the final stages of the assassination attempt, including a getaway plan. AGCA also stated the attempted murder weapon was purchased by Oral CELIK, a Turkish terrorist and fugitive, and actually given to him days before the attempt by Omer BAGCI, a right-wing Turkish national.

June 1981: The GOB hosted a customs council meeting in Varna, Bulgaria. Among the topics discussed was a U.S./ Bulgaria narcotics cooperation agreement.

June 1981: Source identified a Turkish trafficker who was wanted in Turkey on murder charges. The source stated this Turkish national was now involved in the weapons and heroin traffic and resided in Bulgaria.

July 1981: (PRESS RELEASE) Mehmet Ali AGCA stood trial in Rome. AGCA was found guilty and sentenced to life imprisonment.

July & September 1981: Sources stated that major meetings of multi-level narcotics traffickers took place in Sofia in July and September. Attendees at these meetings were primarily Turkish traffickers, but also included traffickers from Greece, Italy, Iraq, and Iran. The topics of discussion were guns and drugs. These major trafficker meetings usually occurred three to four times per year. Meetings had been held in Turkey in the past, but because of military problems were moved to Sofia at the Hotel Vitosha. The participants had the protection of a local high official in the communist party.

Fall 1981: The United States Government suspended normal working contacts between U.S. and Bulgarian law enforcement agencies and halted negotiations on a customs agreement which were underway with the GOB. The accumulation of reliable reports citing that, at a minimum, the Bulgarian authorities tolerated the activities of known arms and narcotics traffickers who operated from Bulgarian territory, led to this decision.

December 1981: (PRESS RELEASE) A source was told of a Bulgarian officer, a high-level official in KINTEX, who handled all heroin sales for the organization. Seized heroin was sold by KINTEX officials to trusted smugglers. A minimum purchase of 10 kilograms from the official was required; in turn, the smuggler was required to use one-half of his profits to purchase items from KINTEX.

January 1982: Source identified a trafficker living in Bulgaria who alleged his friends looked after Mehmet Ali AGCA when he stayed in Sofia.

Spring 1982: (PRESS RELEASE) Leftist Red Brigade captors of American Brig. Gen. James Lee Dozier were put on trial in Italy. The group leader testified that Bulgaria had offered them "money and arms" during the kidnapping incident in the winter of 1981 in order to "destabilize Italy."

March 1982: Source identified several Turkish morphine base and heroin traffickers operating in Turkey and Bulgaria.

June 1982: Source identified two Turkish traffickers who acted as middlemen between Bulgarian government officials and Turkish arms/contraband/narcotics traffickers.

June 1982: Source identified a Turkish trafficker who reportedly paid Bulgarian police 1 percent of the revenue derived from sales of narcotics that he smuggled through Bulgarian territory.

August 1982: (PRESS RELEASE) Claire Sterling's article "The Plot to Murder the Pope," appeared in the September 1982 issue of Reader's Digest.

October 1982: (PRESS RELEASE) Omer BAGCI, a right-wing Turk, who was arrested in Switzerland in June 1982, was extradited to Italy. BAGCI was charged with meeting AGCA in Milan a few days before the shooting and supplying him with a 9mm pistol.

November 1982: (PRESS RELEASE) Right-wing Turk, Musa Cedar CELEBI, head of a Turkish cultural organization in West Germany, was arrested in Frankfurt on November 3, 1982. CELEBI was charged with complicity in the planning and execution of the assassination attempt.

Bulgarian airline official Sergei Ivanov ANTONOV was arrested on November 25, 1982, in Rome for complicity in the assassination attempt on the Pope. Bulgarian embassy employees, Jelio VASSILIEV and Teodorov AYVAZOV, were charged with complicity, but had returned to Bulgaria prior to the issuance of formal charges.

Also charged on November 27, 1982, were Turkish fugitives Oral CELIK and Bekir CELENK, who reportedly had taken refuge in Bulgaria.

Fall 1982: (PRESS RELEASE) The chief Italian investigator on the assassination attempt flew to Ankara to question Abuzer UGURLU, who reportedly met AGCA in Bulgaria. UGURLU denied any involvement in the attempt.

November 1982: (PRESS RELEASE) Syrian Henri ARSAN was arrested in Milan as a result of a two-year investigation in Trento, Italy. ARSAN was believed to have controlled a massive drugs and arms organization composed of Middle Eastern drug traffickers, international terrorists, Sicilian mafia bosses, and Turkish organized crime leaders. Members of his organization attended "summit" meetings of arms traffickers held in Sofia.

December 1982: (PRESS RELEASE) Two Italian citizens, Paolo FARSETTI and Gabriella TREVISIN were put on trial in Sofia for allegedly photographing Bulgarian military sites during the summer of 1982. Press reports indicated that Bulgarian officials offered to swap the Italians for Sergei ANTONOV.

December 1982: (PRESS RELEASE) Italy's largest daily newspaper, Milan's Courriere della Sera stated "the plan to kill the Pope was conceived in Sofia." This echoed similar reports in two Rome newspapers, the leftist La Repubblica and the conservative Il Tempo. All three newspapers based their reports on the purported hundreds of pages of confession, recently made public, by Mehmet Ali AGCA.

December 1982: (PRESS RELEASE) "The Plot to Kill the Pope: The Bulgarian Connection -- Was the KGB Behind It?" appeared in the January 3, 1983, issue of Newsweek.

January 1983: (PRESS RELEASE) A UPI press release stated that the CIA believed Bulgarian officials knew in advance of a terrorist's plans to kill Pope John Paul II but never thought they would be carried out. The article stated that the CIA was convinced that neither the Bulgarians nor the Soviet Union instigated the attack. An unidentified source stated that, "The CIA conclusion makes the Bulgarians -- and by extension the Soviets, who control the Bulgarians -- accessories before the fact."

January 1983: (PRESS RELEASE) The Government of Turkey submitted its third formal request for the extradition of Bekir CELENK from Bulgaria. CELENK remained a fugitive from Turkey for violations of currency laws and for smuggling. Previous formal requests were submitted to the GOB on December 13 and 23, 1982.

January 1983: On January 1983, through the U.S. Embassy in Sofia, a demarche was presented to the GOB, citing their tolerance of the activities of known smugglers of arms and drugs.

February 1983: On February 23, the GOB, through Deputy Foreign Minister Gotsev, presented a formal response to U.S. Ambassador Barry. The GOB stated that KINTEX was a state trading organization, engaged in strictly regulated trade operations. The presence and sojourn of foreign nationals on Bulgarian territory did not constitute in themselves a crime.

March 1983: Bekir CELENK was held on unspecified charges in Sofia.

March 1983: On March 4, 1983, the director of the Bulgarian press agency BTA accused the CIA of conducting an anti-Bulgarian campaign and denied any Bulgarian involvement in the papal affair, smuggling, or terrorism.

March 1983: (PRESS RELEASE) An article by Wilfred BURCHETTE appeared in the British newspaper The Guardian. The article alleged that U.S. law enforcement agencies were pleased with the cooperation they had received from their Bulgarian counterparts and that U.S. statements of concern over Bulgarian involvement in arms and narcotics smuggling were politically motivated.

March 1983: The following statement, approved by the Department of State, DEA, and U.S. Customs, was entered into the Congressional Record:

> Bulgarian officials, in recent public statements and contacts with journalists, have attempted to convey the impression that Bulgarian law enforcement agencies and customs officials cooperate with U.S. law enforcement agencies and U.S. officials think highly of Bulgarian efforts in the interdiction of contraband. Such statements have appeared most recently in the article by Mr. Wilfred Burchette which was published in the British newspaper The Guardian. The United States government has in fact been aware for some time that, at a minimum, the Bulgarian authorities tolerate the activities of known arms and narcotics traffickers who operate from Bulgarian territory. The accumulation of reliable reports regarding this activity led the U.S. in the fall of 1981 to suspend normal working contacts between U.S. and Bulgarian law enforcement agencies and to halt negotiations on a customs agreement which were then underway with the government of Bulgaria. Since then we have made our concerns known to the Bulgarian Government in a number of high-level discussions both in Sofia and in Washington. The Bulgarian response to the questions we have raised has been disappointing, though we continue to have hopes of convincing the Bulgarian Government to bring a halt to arms and narcotics trafficking based on Bulgarian territory. We do not intend to resume regular bilateral contacts with Bulgaria in this field unless it becomes clear they will lead to concrete results.

April 1983: On April 15, 1983, the Country Attache of DEA's Vienna Office met with the chief of Bulgarian customs, leaving a list of questions regarding suspected traffickers operating in Bulgaria.

June 1983: In a follow-up meeting by American Embassy Sofia's Narcotics Coordinator with the chief of Bulgarian customs, GOB declined to provide a written response to DEA's questions. This meeting reconfirmed Bulgaria's defensiveness on the arms and drugs smuggling issue.

October 1983: Nathan Adam's, "Drugs for Guns: The Bulgarian Connection," appeared in the November 1983 issue of Reader's Digest.

March 1984: The U.S. State Department, through the American Embassy at Sofia, presented a demarche to the GOB citing Bulgaria's continued toleration and facilitation of the smugglers.

April 27, 1984: (PRESS RELEASE) CBS Evening News aired an investigative report prepared by reporters of CBS News and Danish television, entitled "The Bulgarian Connection." The piece focused on the alleged illicit activities of Peter H. MULACK, a West German national and resident of the Miami, Florida area since 1979. MULACK allegedly was involved in the sale of embargoed high-tech goods and illegal weapons including AK-47's, grenade and rocket type weapons manufactured in Bulgaria, which were shipped from the Eastern Bloc nations of Bulgaria, Hungary, and Czechoslovakia, to African nations, primarily South Africa.

Of particular significance was the disclosure of what CBS News said was a copy of a signed letter from Peter MULACK to KINTEX, the Bulgarian state trading organization, which stated: "...I can deliver the required electronic material. However, as the material is under embargo, it will take at least three months to deliver. Payment for the consignment may be made in heroin or morphine base..." A subsequent letter from KINTEX was shown in which KINTEX thanked MULACK for committing himself to "deliver the requested goods and you are willing to accept payment as mentioned."

April 28, 1984: (PRESS RELEASE) A similar report was aired on Danish television the weekend of April 28, 1984. Bulgaria's denial came in the form of an interview published in the Literatouren newspaper with Boyan Traikov, the director general of the official Bulgaria news agency BTA. Traikov stated: "As far as the Bulgarian trading firms, whatever of their branches or organizations in Bulgaria are concerned, smuggling and trafficking narcotics and arms and whatever other prohibited articles is absolutely out of the question."

Senator HAWKINS. And I would like to know if there are any other Communist nations involved in drug shipments.

The Nicaraguan Government is rather upset that our next witness is going to testify before us here today, and I would like to ask those present here at this panel was it not true also that Cuba denounced John Crump for becoming a witness also?

Mr. MULLEN. I am sorry. Is that a question, did they denounce him?

Senator HAWKINS. Yes.

Mr. MULLEN. I am not sure, but I can check almost immediately.

I am told that yes, the Cuban Government did denounce Johnny Crump for appearing as a witness.

Senator HAWKINS. We would just like that on the record prior to calling our next witness because it is usually their pattern that when we find someone who will talk, the Government immediately repudiates them.

We thank you very much, gentlemen, for helping us build this record today, and we look forward to solving some of these problems.

Mr. MULLEN. Thank you, Senator Hawkins.

Senator HAWKINS. Our next witness will be Antonio Farach, the former Minister Counselor of the Nicaraguan Embassies in Venezuela and Honduras. He will provide this committee with firsthand information regarding Nicaraguan support for terrorism and drug trafficking.

His translator will be Frank Gomez.

We would like the hearing room to be quiet, please. Mr. Farach has decided he would not wear the mask to keep his identity a secret, and he is a very brave man to participate with us today.

Mr. Gomez, would you please stand to be sworn in at this time, and then explain to Mr. Farach that we will swear him in next. We will do one at a time.

Raise your right hand, please.

[Whereupon, Frank Gomez was duly sworn.]

Senator HAWKINS. Thank you.

Mr. Farach, raise your right hand.

[Whereupon, Antonio Farach was duly sworn.]

Senator HAWKINS. Mr. Farach will read his statement at this time in Spanish, and we will have it translated.

Proceed, Mr. Farach.

STATEMENT OF ANTONIO FARACH, FORMER MINISTER COUNSELOR, NICARAGUAN EMBASSIES IN VENEZUELA AND HONDURAS

Mr. FARACH [translated by Mr. Frank Gomez]. Thank you very much for the opportunity to be here today. My name is Antonio Farach. I came to the United States in September of 1983 to request political asylum. I came from Caracus where I left my post in the diplomatic service of Nicaragua.

I wish to point out two things before completing my statement. First of all, my testimony this morning comes from my experience as an official of the Nicaraguan Government, and the information comes from sources, friends of mine who were and are officials of the Nicaraguan Government. Therefore, it is not a matter of testi-

mony from a firsthand witness, but rather testimony based on my knowledge through conversations with ranking officials who were in sensitive positions which enabled them to have information about this subject.

The second point I wish to clarify is that I cannot reveal the names of my sources. They are still government officials in Nicaragua, and despite our ideological differences, moral reasons and humane reasons, prevent me from endangering their personal safety and their lives.

Information and my knowledge covers two aspects. First, drug use on the part of high-ranking government officials in Nicaragua. This drug use was often occasional, but in other instances, it was a matter of addiction. The official government apparatus in Nicaragua in which drugs were most commonly used was the DRI, the Department of International Relations of the FSLN. That is an organization which parallels the American department in Cuba, and it is the real decisionmaking center for Nicaraguan foreign policy.

The two highest ranking officials of that office were people who were visibly addicted to drugs. When I asked my sources why persons who are supposedly revolutionaries and who should conduct themselves in a moral manner were engaged in a practice which for all intents and purposes was immoral.

The reasoning that they offered to me was that those officials were so busy that they had practically no opportunity to rest, and that the escape which was provided by drugs was the only thing that gave them any relaxation.

I want to point out that this particular reasoning, this special morality, was not applied by these officials for anyone else outside of the Government, in a few words, the consumption of drugs was condemned, and it is still condemned as a capitalist problem, but when this occurred in the midst of government officials, it was morally justifiable.

The second aspect of the information which came to me was the involvement of high level Nicaraguan officials in international drug trafficking, trafficking through the so-called Colombian and Bolivian connection in order to move drugs into the United States.

The first time that I had information about these events was something that happened in September of 1981 during a visit of the Minister of Defense of Cuba to Managua. When I tried to find out what the purposes of that visit were, I was told that it was the beginning of a new and special business for the Nicaraguan revolution.

I was able to understand, and I was able to deduce from the words of my source that the Cubans had references and connections with international traffickers which could guarantee in a reasonable and safe way the entry of the Nicaraguan Government, the Sandinista government, in this trafficking.

With respect to this point I want to mention that deducing from information which reached me during a year and a half, I cannot affirm here that the Government of Nicaragua was involved as a government. They were government officials at the highest level in their private or individual capacity.

I understand that the person who was directly involved in the trafficking was the Minister of Defense of Nicaragua. I also under-

stand, and this was confirmed by my sources, that the international traffickers besides landing strips and facilities that were offered to them, they also obtained international travel documentation which was granted or issued fraudulently by the office of immigration of Nicaragua.

I want to open a brief parentheses here to point out that this illegal practice of granting false travel documents had been a practice of the Sandinista government, a practice in which I was personally involved during my years of service in Honduras and in Caracus. On many occasions I was instructed to give Nicaraguan passports to non-Nicaraguan individuals, of obvious South American origin and some citizens who had clearly come from the Middle East.

I do not think that the international drug traffickers are using clandestine airport facilities or landing strips in Nicaragua. They did not need to do that. In a totalitarian police state such as Nicaragua, at the time which they reach agreement not with the Minister of Defense of that country, but rather with the owner of the country, they had a perfect right to use the international airport in Managua.

This may not be the most interesting fact from a journalistic point of view, but the most fundamental point is that when I asked why a supposedly revolutionary government was involved in a practice such as drug trafficking, again, the aides to the high-ranking officials used two moral and political justifications.

In the first place, drugs did not remain in Nicaragua. The drugs were destined for the United States. Our youth would not be harmed, but rather the youth of the United States, the youth of our enemies. Therefore, the drugs were used as a political weapon because in that way we were delivering a blow to our principal enemy.

Before telling you the second justification, I would ask that you allow me a personal statement. On many occasions I have been asked why I left the Nicaraguan Government. Besides my ideological differences, there were moral reasons. I was able to observe the immoral positions taken by my Government, and this specifically was one of the reasons which contributed to my decision.

The argument that we were destroying the youth of our enemies is one which is on its face immoral, racist, and genocidal. I am not here in this subcommittee meeting because of the interest of any organization or special interest in the United States. I have no ideological affinity with the present administration. I am here only because I believe it my moral duty with this country against which I fought for more than 15 years and when I had need for political asylum, I found it here.

It is my personal homage—I do not know whether it is great or small—to the youth of this country. I am not trying to make this serve as a political arm for any particular group, but rather, as an alarm and my personal offering in a country which I now understand and appreciate, and in reality I could never find a better opportunity to say how grateful I am for what I have found here.

It is to the youth of the United States, and only for them, that I am here today. Never since my arrival here in 1983, September, have I been subjected to any pressures, bribes, to make any kind of political or other statement. I can only say that I do not share the

official ideological position, nor can I make any political statement because I respect a country which has respected me.

The second justification used by the high-ranking officials involved in drug trafficking was a moral justification. They said that in addition to a political weapon against the United States, the drug trafficking produced a very good economic benefit which we needed for our revolution. Again, in a few words, we wanted to provide food to our people with the sufferifg and death of the youth of the United States.

These kinds of arguments are very strongly sustained and believed in a government which every day proclaims itself as the standard bearer of justice and of morality:

That is all I have.

[The prepared statement of Mr. Farach follows:]

STATEMENT BY ANTONIO FARACH

REPUBLICAN STUDY COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

My name is Antonio Farach, a Nicaraguan citizen of 33 years of age, and I reside in the Washington, D.C. metropolitan area. I arrived here in September, 1983, after leaving the Nicaraguan diplomatic service to request political asylum in the United States.

I am very grateful for the opportunity to appear before this group of Members of Congress of the United States in order to help in providing more information about the dramatic and worrisome events of today in Nicaragua. I would like to focus on two specific topics:

A) The internal situation in Nicaragua; and

B) The Soviet and Cuban presence in Nicaragua.

A. The Internal Situation

1. As a result of the increasing political and religious repression by the FSLN, internal opposition is being steadily reduced to a few voices of independent political leaders, union leaders and the bishops of the Catholic Church who bear the weight of an implacable and totalitarian censorship. The only critical press, La Prensa, was censored and was closed eight times in 1982, about the same number of times in 1983, and about 10 times so far this year.

2. Forced military recruiting has raised to unprecedented levels the exodus of Nicaraguan youths to neighboring Central American countries and to the United States. An estimated one thousand five hundred of these young people, between seventeen and twenty-five years of age, have left the country between January and May of 1984. Almost two hundred thousand Nicaraguans have left the country from January 1981 to March 1984. The majority have sought refuge in Honduras, Costa Rica and the United States.

3. The persecution of the private sector, the economic failures of the government and arbitrary confiscation have created a situation of near hunger, of misery and of despair among the common people. Of more than five hundred industries and private firms operating at the end of 1979, only about eighty survive, and these experience very low productivity.

4. The number of political prisoners in Nicaragua is about fifteen thousand, more than ten times the number which Somoza had at the height of his repression. This figure, with the exception of Cuba, is the highest in the hemisphere.

B. Soviet and Cuban Presence in Nicaragua

The presence of these two forces has reached a point in the power structure and decision-making centers in Nicaragua that the country now recognizes that it has entered into an East-West confrontation which clearly threatens the interests of Western democracy. The Coordinator of the ruling Sandinista junta stated a few days ago during his visit to Moscow:

> "Nicaragua supports and shares fully the points of view of the Soviet Union regarding international policies."

Furthermore, the Soviet position regarding a democratic political resolution of the conflict in Nicaragua is expressed as follows:

Between May, 1983 and the first four months of 1984, the Soviet Union has doubled the number of tanks (T-54 and T-55) of the Sandinista army, reaching today as many as 120 tanks and 110 armored transport vehicles.

They have deployed throughout Nicaragua 152 mm. heavy artillery, weapons never before seen in Central America; also, they have sent some 700 surface to air missiles of the SA-7 variety.

Finally, now the Sandinista government announces the imminent arrival of MIG jet fighters and bombers. All of this, combined with the disproportionate numbers of men in the regular army , breaks the military balance of the region and intimidates Nicaragua's neighbors in the Caribbean and in Central Ameria.

These are the facts, evidently denied by the FSLN. Only the pressure of armed groups struggling against them has been able to force the Sandinistas to reduce the export of their revolution. Any lessening or the suspension of that pressure would permit a return to the level of arms flows of 1980 and 1981, making the region still more bloody and giving the Sandinistas the tactical advantage they seek to make their totalitarian state irreversible.

Senator HAWKINS. Thank you.

You testified Raul Castro, who is the Minister of Defense and also the brother of the Cuban dictator, Fidel Castro, visited Nicaragua in September of 1981. I believe you said he met with Umberto Ortega who is the Minister of Defense and who happens to be the brother of Daniel Ortega, who is running for President; is that correct?

Mr. FARACH. Yes; that is correct.

Senator HAWKINS. Did Raul Castro, to your knowledge, suggest the Nicaraguan Government engage in narcotics trafficking, or did he order the Nicaraguan involvement?

Mr. FARACH. The precise terms used or probably used by Mr. Castro in his conversations with Mr. Ortega, whether they were suggestion or an order, I cannot say, but I can affirm that never in my experiences with Cuban officials during 4 years of service in the Government, the relationship was never one of respect between Cubans and Nicaraguans. The Cubans always spoke as if they were the bosses. They were always very arrogant and demanding. They do not suggest in Nicaragua. They order in Nicaragua.

Senator HAWKINS. Cuba and Nicaragua are not equals in the minds of the Cubans?

Mr. FARACH. Evidently that is the case, just as Cuba and the Soviet Union are not equal.

Senator HAWKINS. Does the Nicaraguan Government recognize terrorist organizations, such as the M-19 or the FARC, PLO?

Mr. FARACH. The Government of Nicaragua not only recognizes those organization, but it instructs its diplomatic officials, such as in my own case, to provide every support and cover when those men from international terrorist organizations are traveling in countries where Nicaraguan diplomatic officials reside.

Senator HAWKINS. Did you ever provide passports to terrorists?

Mr. FARACH. With absolute certainty, I could not point out any terrorist in particular, but I can tell you with certainty that on many occasions I handed over Nicaraguan passports in a clandestine and illegal way to persons who were not Nicaraguan citizens.

The purpose for those actions was never explained to me in a thorough way.

Senator HAWKINS. Did you know who they were given to?

Mr. FARACH. On some occasions the persons who received those documents were clearly from South America, and in two or three occasions, I was certain that they were persons of Arab origin.

Senator HAWKINS. How did the phoney passports help the terrorists?

Mr. FARACH. In the language of the international Left, there is a term which is to "clean a person." The manner of using a passport to travel to a given country, to change a passport or exchange passports in that country, and to continue to the point of destination. Let me tell you in more graphic terms.

A person leaving Nicaragua trying to get into Canada can go very easily from Managua to Amsterdam, Paris, Madrid, Mexico, and in Mexico change a passport and continue on to Canada. Even today, despite the recent events, a Nicaraguan passport is still a little safer than a Libyan passport, perhaps.

Senator HAWKINS. How extensive is document counterfeiting in Nicaraguan, whether it be passports or others? You call it to "clean a person." We call it "laundering." Is there wide abuse there?

Mr. FARACH. The Office of Immigration and Naturalization is absolutely controlled by Cuban government officials, and this is not——

Senator HAWKINS. Cuban Government?

Mr. FARACH. Cuban government officials, and this is not secondhand testimony. This is my personal testimony. In this case, I can assure you as an eyewitness that they were Cuban officials who directly controlled the immigration office.

Senator HAWKINS. We thank you very much for coming here today. I know we were supposed to disguise your appearance. I appreciate your bravery in letting us see you. I know that you are the highest ranking official from Nicaragua to ever testify, and we appreciate that very much.

The Nicaraguan Government has criticized you for talking publicly. Why do you think that they would go to such lengths to try to discredit your testimony?

Mr. FARACH. I understand that the accusations of the Government of Nicaragua are attempts to discredit me, such as accusing me of stealing government funds and accusing me also of homosexual practices. In the second case, an accusation of that kind reveals how repressive the mentality of the Sandinistas may be because, after all, and I am not a homosexual, but if I were, that would have no affect on the validity of my statements.

With respect to my own integrity, I want to point out that I left my post in September 1983, and it is strange that those accusations have not surfaced until now. The Government of Nicaragua must be more concerned about presenting incontrovertable evidence beyond any doubt about its involvement in international drug trafficking, about its connections with international terrorists, and its humiliating obedience to Cuba and to the Soviet Union than my personal integrity. The people in Nicaragua hope for clarification.

The international community awaits a clarification not as a function of my personal role, but rather, in their role as a government.

Although I possess information about a doubtful moral past, about at least seven of the nine members of the Sandinista junta, I have never made any accusations in public. I cannot conceive of a debate about Nicaragua being reduced to personal terms. After all, the attempts to discredit those persons who leave Communist governments were not invented by the Sandinistas. They have a good past with Stalin as an example.

Senator HAWKINS. We thank you very much for participating with us and welcome you to our country. We will excuse you at this time.

Our final panel will be composed of Paul Henze, the former National Security Council official, presently with Rand Corp.; Nathan Adams, senior editor of Reader's Digest, and Investigative Judge Ferdinando Imposimato, who is counsel of the appellate court in Rome, Italy.

Judge Imposimato, who is presently heading an investigation into a major arms and drug smuggling ring in Italy, will testify by telephone from Italy, which will be interesting to watch and to hear.

These experts will provide new information regarding worldwide narcoterrorism. Will you please come to the table, Mr. Henze?

As I understand it, the judge will not be available due to the time difference until 12 o'clock. So we will proceed at this time, and, Mr. Henze, we will ask you to proceed.

STATEMENTS OF PAUL HENZE, FORMER NATIONAL SECURITY COUNCIL OFFICER AND RESIDENT CONSULTANT AT THE RAND CORP.; NATHAN ADAMS, SENIOR EDITOR, READER'S DIGEST; AND HON. FERDINANDO IMPOSIMATO, INVESTIGATIVE JUDGE, COUNSEL OF THE APPELLATE COURT, ROME, ITALY

Mr. HENZE. Madame Chairman, it is a pleasure to be here, and I am very grateful to you for the opportunity to talk about a terribly important subject I am particularly happy to see that the hearings today have been conducted in the context of taking for granted and, in the course of doing so, providing a great deal of additional significant information on the connection between drugs and terrorism.

When I testified before a subcommittee of the House Foreign Affairs Committee in June, I entitled my statement "Arms and Terrorism, the Interlocking Web." I think this is a very important thing to keep in mind. I think people who are sponsoring this and capitalizing off this nefarious activity want to have us look at it in bits and pieces as much as possible.

If we look at it in bits and pieces, we do not see the whole picture, and we fail to realize how important some of the connections are. We also fail to realize how important the backing for it is.

This is what I want to talk about today. I have presented a substantial statement to the committee. I will not read the entire statement because I would like to make some additional comments in connection with it. What I underscore in my statement is both

the historical background and the political background of what we are seeing.

We see in this field a clear example of the ultimate Kremlin backing for what is going on, and I would like to start by stating some of the conclusions and then comment on some of the processes we have had to go through in the course of studying all of these activities.

It is, I think, today quite clear that we are not dealing only with weaknesses and shortcomings in our own society, but with systematic efforts to magnify and exacerbate them from the outside. The Kremlin has been encouraging and exploiting drug and arms traffic to destabilize the West since the 1960's. Tactics have changed, but the basic objective has not.

Moscow uses many channels, but two countries have emerged as the most efficient subcontractors for these operations: Bulgaria and Cuba. While the link between narcotics and arms may have been casual at first, it has become essential. The first to a very great degree pays for the second.

Exposure does not by itself cause the traffic to stop, and appeals to international morality have little effect. Sterner measures are needed. I am delighted to have heard some of my colleagues this morning recommending sterner measures.

Soviet-instigated disinformation has become much more sophisticated and widespread, and one of its main purposes is to skew the truth about drugs and arms traffic and discourage effective countermeasures directed at the real source of the problem. Of course, the disinformation spreads far and wide. It takes many forms. Some of the people who are involved in spreading it are not even aware that they are spreading disinformation.

Moscow, of course, does not have to rely on disinformation alone. It has a powerful ally in the deep-seated tendency of people living in democratic societies to refuse to believe in conspiracy theories. Of course all drug trafficking is not inspired by the Russians or by the Bulgarians or the Cubans or the Nicaraguans or the PLO or any of the rest. Of course all terrorism is not inspired by Communists. All of these problems would exist if there were no Soviet Union, but they would be on a much smaller scale, with fewer interconnections, and their international manifestations would be much easier to control.

Why, asks the skeptic, would the men in the Kremlin want to do this sort of thing? Don't they have enough problems of their own?

That is precisely the heart of the matter. The basic assumption underlying the open democratic societies of the West is that free people can manage themselves effectively. All forms of totalitarianism, whether Communist, Facist or Fundamentalist versions, assume just the opposite. They base authority on self-perpetuating cliques who always end up operating a political system for their own advantage and who justify excepting themselves, as our Nicaraguan friend has just so graphically described, from the rules that they want to apply to everybody else.

The men who rule from the Kremlin have been doing this for nearly 70 years. They have been trying to run a system that is not running well. It is running down badly. To try to preserve their hold on their own people, they feel driven to discredit and destabi-

lize all alternative systems. This explains not only the drug and the arms traffic and the effort to destabilize other societies, but the effort to discredit all of us who are attempting to bring these matters to public notice.

I found it particularly interesting this morning as I picked up the New York Times to read on the front page the statements of some recent defectors from the Soviet armed forces in Afghanistan who described the drug situation there. We see here this whole process coming home to roost, and I must say it could not happen to more deserving people.

For years the people in the Kremlin have been confident they controlled this sort of thing. When they moved into Afghanistan, they moved into one of the areas where they have done the most to encourage lawlessness and disorder and capitalize on all of the factions, the political strain, the stress in this part of the world, and now they are paying a price. I suspect they will go on paying a heavier price.

This may have some slight effect, but I doubt it. I do not think we can rely on the fact that they are having a problem themselves now in Afghanistan will cause them to want to cooperate with us in other places. At least until we have seen a very substantial demonstration of their willingness to cooperate, I think we would be very unwise to assume that.

I want to say a few things about history because, as the great Spanish-American philosopher George Santayana said, "Those who do not learn from history are condemned to repeat it." The history of the last 10 or 15 years is very important.

I think two developments have been particularly important in exposing the kind of situation that your hearings today, Madam Chairman, are emphasizing so dramatically. One of these is the situation in Turkey in the 1970's. Turkey to an extent unknown in any other Western country experienced terrorism which practically ripped the country to pieces, and it was only after the Turkish military had to step in and take control and began to clean up the the terrorists that it became clear to what extent the country was under assault from the outside.

It was under assault by people—primarily Bulgaria, but also Syria, and obviously neither of these countries could be operating without Soviet approval—who sent in weapons in massive quantities, money in massive quantities, and who sent these weapons and money not simply to leftists, but to rightists. There was very little distinction made. The aim was to destabilize the society.

I think this is a very important point that, again, we sometimes forget. It has been alluded to this morning that in Latin America you sometimes do not find much of an ideological connection. The people who are engaging in drug smuggling are said to be not necessarily leftists.

Well, this is not surprising to me, having been intimately familiar with the situation in Turkey for a long period of time. If your purpose is to destabilize, if your purpose is to undermine the free world, if your purpose is to discredit and make impossible the operation of a democratic system, you really want to set the left and the right fighting each other. You are willing to use either one.

Now, there is a long history of this. You get the glib protestations these days from the Bulgarians. I read one again just a couple of days ago, saying, "Oh, how could anyone maintain that Communists could be interested in terrorism? Communist morality is so high that Communists could never stoop to terrorism." This is utterly absurd. We found Communists dabbling in terrorism back in the 1930's. We found the right and the left cooperating. The most striking example in all of modern history, of course, is the Nazi-Soviet Pact and the collaboration that made possible Hitler's initial successes.

We have found ever since that Moscow is willing to exploit the right when it can, to encourage the right, to use any forces to undermine what it considers its own most fundamental enemy—that is free democracy, pluralistic systems and Western society.

So when terrorism in Turkey was exposed, and unfortunately this is too little known in the world at large, we learned an enormous amount because a total of nearly 50,000 terrorists were arrested, and a great deal of information has been obtained from them.

Now, the second major event which began to cause this whole business to unravel and particularly to expose the Bulgarian connection was the shooting of the Pope. The shooting of the Pope in itself, of course, was a separate act that really had nothing to do with narcotics, but it had enormous amount to do with the Bulgarians. Very important trials and investigations that are continuing both in Italy and in Turkey are demonstrating the close connection between the would-be Papal assassin, Mehmet Ali Agca, and the whole drug and arms smuggling Mafia which is centered in Bulgaria and has spread its tentacles throughout Europe.

Now, when the Pope was shot, the world was shocked, and people began to look at many things that they hadn't looked at before, and today we have benefited enormously from this process. We have benefited particularly in terms of what has been discovered in Italy about Bulgarian connections, and we see that Bulgarian connections are extraordinarily broad. They penetrate into all aspects of society. They deal not simply with Italy, but they deal with the whole Western relationship.

This is something else I would like to underscore here. We are dealing here with a problem that has enormous international ramifications, and it is very important, I think, to keep these in mind because sometimes if we look at it only in terms of an individual country situation, we fail to understand how all of the pieces fit together. By studying what happens in one country and then examining how those patterns may or may not apply in another, we learn a great deal.

I am very struck by how much we have learned. We have learned, of course, that countries like Bulgaria and Cuba do play a major role, as previous witnesses have testified, but we have learned also that others play a role, and we must be prepared, I would say, in the future, to find this sort of thing coming up in other places. It is not accidental that Nicaragua now begins to play a fairly significant role in subversion and terrorism. The pattern with Communist efforts to undermine the free world is that if you're blocked in one place, you move in another. If one technique

does not work, you try a different technique, and we have seen this happening over and over again.

We see it particularly here. I see almost no evidence that the overall Communist interest—that is, the overall Kremlin interest—in exploiting criminal elements has waned—they will exploit any elements, ideologically right, ideologically left, unideological, pure smugglers. There are, of course, such people in the world, many of them. But the techniques vary.

After the military took over in Turkey and cracked down on the terrorists, there was very little opportunity to use Turkey as it had been used before as a major channel, but by that time, the Mafia, this vast international cartel of illicit operators, had developed other channels, through Lebanon, through Cyprus, through Greece, into Italy, through North Africa, from Southeast Asia and around the world in the other direction. All of these channels continue to be exploited, and we have to be alert to all of them.

I would like to conclude by underscoring some of the recommendations I have made because I want again, to thank the committee for giving us all this opportunity to talk about this subject. I think it is extremely important to keep it in front of the public eye. Drugs, arms, terrorism are unpleasant topics. It is easy to feel that you have had enough and you do not want to hear more about it. Journalists get tired of the subject.

We cannot afford to be tired of the subject. Our Government and our society cannot afford to let ourselves tire of the subject because the people that are supporting this type of thing continue their activity.

As I said at the beginning of my comments, mere exposure is important because exposure heightens public awareness, gives people in different parts of the world an understanding of the problem, and it is very important in these things to cooperate with our Allies because we are all targets. We should not have a narrow view, saying, "Well, if it does not affect the United States, we will not worry about it." That is a very unproductive view because it may affect one of our major allies, and then it may affect our relationship with that ally.

So what we are dealing with here is the whole free world. We are not dealing simply with our own problem. Obviously we have to give special attention to some of our own problems, but we have to work very closely with all of our allies.

One of the byproducts of the investigations following the shooting of the Pope—I have observed this in a great many ways since I have worked on this subject—is that Western security services, Western intelligence services, and Western governments are working much more closely together than they used to, and the cooperation on narcotics matters is far better than it used to be, but we can never let down our guard.

In any open society, exposures of any activity even remotely resembling subversion and destabilization operations that have been routine in the Kremlin for two decades—and there is a long previous history as well—would lead to public outcry, inquiries, punishments, and drastic revision of governmental policies. Let us have no illusion that any such processes are taking place in the Soviet Union or that any such processes could take place in the country

as tightly in Soviet grip as Bulgaria or in a country whose leadership wants to keep it as a servant of the Soviet Union as energetically as Castro does in the case of Cuba.

All that can happen in these countries is that the same policies will be carried out with greater caution and under an increased smokescreen of disinformation and protestation of innocence. The aim will continue to be to delude, to confuse, and intimidate naive or frightened Western publics and leaders.

If we let ourselves be deceived or intimidated, we will only jeopardize our own security and postpone taking the measures we need to take to defend our interests. There are many. We need more continual alertness and more systematic study of these problems by our intelligence and law enforcement agencies. There has been an enormous increase in efficiency, but we must not rest on our laurels or allow any of these agencies to rest on their present accomplishments.

We need to insure that they have the funds and the personnel to do their job. We need to consider retaliation and sanctions, too—on the basis of careful, systematic study—against all countries that are vulnerable in this respect. Bulgaria is particularly vulnerable, but we should not leave the Soviet Union out. Pressure should be put on the Soviet Union itself.

We know so much about the Bulgarian-Soviet relationship and we know so much about the Soviet-Cuban relationship, that we really cannot, except by deceiving ourselves, have any illusions about what they are doing and how they are doing it. Bulgaria and Cuba could not be doing what they are doing in connection with terrorism and drugs for a day if Moscow disapproved, and Moscow has plenty of ways to bring pressure on them if it really did disapprove.

We need to call the behavior of these countries to the attention of international bodies. We need to confront them with the prospect of paying a continually higher price for violating the norms of civilized international conduct. We should not delay in any of these steps or pull our punches.

The Congress has an important responsibility to see that the responsible agencies in the executive branch neither delay action nor rest on the comfortable assumption that if we look the other way, the problem may take care of itself.

I am very heartened by these hearings to see that your committee, Madam Chairman, is working vigorously on this problem.

Thank you.

[The prepared statement of Mr. Henze follows:]

DRUGS, ARMS, TERRORISM AND DESTABILIZATION --

THE KREMLIN'S FORMULA FOR UNDERMINING THE WEST

Statement for the Senate Subcommittee on Alcoholism and Drug Abuse, Hearings of 2 August 1984, by Paul B. Henze, former US National Security Council Staff Member, author and researcher; currently Resident Consultant, Rand Corporation, Washington, DC.

How Much Do We Know?

Studying international drug trafficking and its connections to terrorism is like doing a jigsaw puzzle over an extended period of time. In the 1970s we had only a few of the pieces. It was hard to see how the picture was going to fit together. During the early 1980s many of the missing pieces have been found and put into place. Some fell into our laps. Others came to light only as the result of diligent searching. We now know enough to enable us to construct a picture that permits half a dozen important conclusions:

*We are not dealing only with weaknesses and shortcomings in our own society but with systematic efforts to magnify and exacerbate them from the outside.

*The Kremlin has been encouraging and exploiting drug and arms traffic to destabilize the West since the 1960s. Tactics have changed but the basic objective has not.

*Moscow uses many channels, but two countries have emerged as the most efficient sub-contractors for these operations: Bulgaria and Cuba.

*While the link between narcotics and arms may have been casual at first, it has become essential--the first to a very great degree pays for the second.

*Exposure does not by itself cause the traffic to stop and appeals to international morality have little effect--sterner measures are needed.

*Soviet-instigated disinformation has become much more sophisticated and widespread and one of its main purposes is to skew the truth about drugs and arms traffic and discourage effective

countermeasures directed at the real source of the problem.

Moscow does not have to rely on disinformation alone. It has a powerful ally in the deep-seated tendency of people living in democratic societies to refuse to believe in conspiracy theories. Of course all drug trafficking is not inspired by the Russians--or Bulgarians or Cubans. Of course all terrorism is not inspired by communists. All these problems would exist if there were no Soviet Union--but they would be on a much smaller scale, with fewer interconnections and their international manifestations would be much easier to control.

Why--asks the skeptic--would the men in the Kremlin want to do this sort of thing? Don't they have enough problems of their own? That is precisely the heart of the matter. The basic assumption underlying the open, democratic societies of the West is that free people can manage themselves effectively. All forms of totalitarianism--whether communist, fascist or fundamentalist versions--assume just the opposite. They base authority on self-perpetuating cliques who always end up operating a political system for their own advantage. The men who rule from the Kremlin have been doing this for nearly 70 years and their system is running down badly. To try to preserve their hold on their own people they feel driven to discredit and destabilize all alternative systems.

Communist totalitarianism is flawed by the same brutality and corruption that characterized Hitler's Nazism. As Paul Johnson has demonstrated so brilliantly in his new book, they are two versions of the same political disease.* And as Richard Pipes has just warned us, we can survive only if we are utterly honest with ourselves in studying how the Soviet system works and how we can meet the challenges it confronts us with.**

Crucial Developments

As I look back over the past four years, two developments stand out as landmarks in exposing the extent of Soviet-sponsored subversion and destabilization and dramatizing the crucial connection between drugs and terrorism:

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*Modern Times, New York (Harper & Row), 1983.

**"How to Cope with the Soviet Threat", Commentary, August 1984.

*the assumption of authority by the Turkish military leaders on 12 September 1980, bringing to an end a period of terror and destabilization unprecedented in recent history;

*the assassination attempt against Pope John Paul II on 13 May 1981--an atrocity of a different order of magnitude from others we have witnessed in the 20th century.

It was clear from the beginning that the plot to kill the Polish Pope was not the work of a madman or a fanatic. It was the result of a carefully developed scheme that had been in preparation for at least a year and a half, probably longer.* Turkish investigators have now produced irrefutable proof that Mehmet Ali Agca was sponsored since at least 1978 by arms and drug smugglers who enjoyed a privileged position in Bulgaria. There were many reasons to choose a Turk to assassinate the Pope--but before going into them let us first sum up what is known about terrorism in Turkey itself.

Terrorism in Turkey

Only when Turkish officials started to clean up terrorism did they realize the full origins of the orderal their country had gone through. What happened in Turkey in the 1970s was not the inevitable result of internal political strains. Terrorism in Turkey was supported massively from the outside, with nearly a million weapons, enormous quanitities of ammunition and explosives and large sums of money clandestinely brought in from abroad. At a minimum a billion dollars was spent on it during the years 1976-1980. Though terrorism in Turkey entailed murderous clashes between rightists and leftists, both drew support from the same sources. They were both trained in camps in Lebanon and Syria. As the destabilization process advanced, rightists and leftists sometimes even co-operated on the ground. The same was true in Italy. The real enemy of both--and of their sponsors--was democracy, the free, open society they wished to destroy.**

*My book, The Plot to Kill the Pope, New York (Scribners), 1983, and Claire Sterling's Time of the Assassins, New York (Holt, Rinehart & Winston), 1983, sum up most of what was learned about the plot before the Italian prosecutor's report supplied much additional detail when it was publicized in the New York Times, 10 June 1984.

**Modern Times, pp. 280-300, describes how the communists helped Hitler to power. Left-right collaboration is not a recent phenomenon.

Where did all this external support come from? There were three main channels into Turkey: from Bulgaria, from Syria and through an infrastructure that had been created over many years among Turkish workers in Germany and elsewhere in Europe. All these links figure in the plot to kill the Pope. In each of these countries rightists and leftists got guidance and money from the same web of clandestine support facilities--and the sponsor behind them all was the KGB and related Soviet subversive instruments.

The system was, and is, complex. It is braided together of many strands. There is a good deal of deception built into it. It is designed to obfuscate and confuse and even deceive many of the people who operate within it. This vast apparatus is also designed to be in part self-supporting--to pay its own way. Here is where drugs come in. And from this we now get insight into the unique role Bulgaria plays in the whole undertaking. In the Western Hemisphere the Cuban role appears analogous.

Bulgaria's Key Role

The Bulgarian communist regime was set up to exploit the country for Moscow's gain. The Bulgarian people have no say in how they are used--but, like inmates of a prison, they sometimes get rewards and privileges for good behavior. It is hard to believe that most of them would choose to let their country serve as a base for such atrocious criminal activity if they had the choice.* The Bulgarian regime began coddling Turkish drug smugglers in the early 1960s. Operations were first on a small scale. By the end of the 1960s the situation had changed dramatically. Yuri Andropov's takeover of the KGB in 1967 may have had something to do with this change.

When the men in Moscow and their loyal servants in Sofia realized what enormous potential the Turkish mafia offered, they gave them free rein. From their point of view everything was positive and risks were minimal. They made it easy for the smugglers to get their drugs to Western Europe, where there was money to be made and society to be corrupted. With the profits, arms could be bought to support terrorists--both in Western Europe and in Turkey itself.

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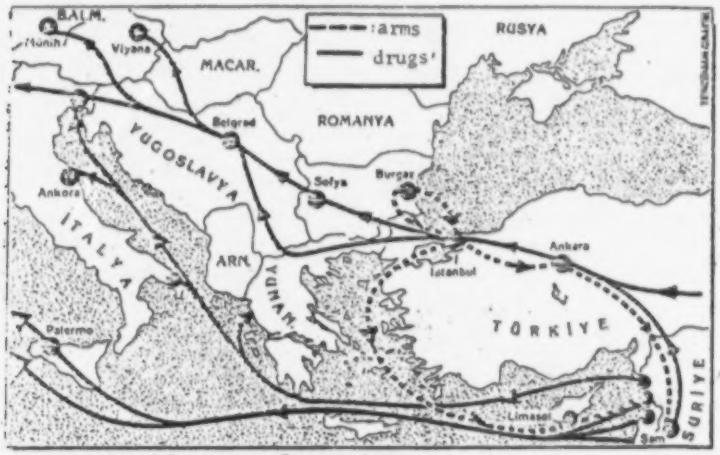
*The most distinguished voice of Bulgarian conscience was Georgi Markov, murdered by an umbrella-carrying assassin on Waterloo Bridge in London in 1978. His wife edited his memoirs, The Truth that Killed, which have just appeared in London and New York. The first Bulgarian victim of umbrella attack, Vladimir Kostoff, who lived, has recently published an incisive analysis of how Bulgaria works under communism: Sotsializmat v Bigariya, reviewed in the Neue zuercher Zeitung (Zurich), 27 June 1984.

As this map from a Turkish newspaper demonstrates in schematic form, it was a simple feedback system:



UYUŞTURUCU-SİLÂH KAÇAKÇILIĞININ HARİTASI...
Harita, Ortadoğu-Akdeniz bölgesinde Bulgaristan-Suriye bağlantılı uyuşturucu ve silâh kaçakçılığının anayollarını göstermektedir. Bu yollardan "Türkiye yük darbeler yerken, Güney Kıbrıs yolu büyük önem kazanmış... lik kuvvetlerinin sürdürdükleri sistemli çalışmalar, teşkilâtın M... yıplar verdirmiştir.

from Tercüman (Istanbul)
9 May 1984

The same smugglers who were moving narcotics out of Turkey could be used to bring weapons and other terrorist supplies back in. The smugglers were given more and more favors. When the Turkish government cancelled their passports and put them on international wanted lists, the Bulgarian regime gave them fake passports and let them take over villas in Sofia and Burgaz. It even provided naval escorts for their ships. By the time Turkey banned poppy-growing in 1972, the Turkish mafia was operating on such a large scale--thanks to Bulgaria--that they diversified their supply sources, drawing on Iran, Pakistan and SE Asia, and expanded their operations. When the Turkish military took control in 1980, they established controls which reduced the flow of narcotics through Turkey from the east to a trickle. But the mafia, with Bulgarian, Syrian and Palestinian help now had a network throughout the whole Mediterranean and Middle East, utilizing Arabs, Armenians, Cypriots, Iranians and Pakistanis. Most operations were shifted to sea routes. Northern Italy became a key crossroads.

It is therefore not surprising that during the last four years the largest single international drug ring ever uncovered has come to light in the Italian city of Trento as a result of the meticulous investigations of Judge Carlo Palermo. According to recent reporting*, he has now delivered 300,000 pages of evidence to Italian state prosecutor Enrico Cavalieri. The trials that will result from this investigation may go on for years--and from them we will learn a great deal more about Bulgarian connections, PLO connections and other ramifications of the international drug and arms business.

How has Bulgaria profited from all this? By setting up commercial organizations that give the appearance of being entirely legitimate business ventures--and to some extent actually are. Taken together, they constitute a monstrous multi-national state capitalist conglomerate. Key elements are KINTEX, the import-export firm set up in 1965, and the vast international truck transport operations which carry a major share of the freight that passes from Europe to the Middle East. Total turnover must now be in the billions of dollars annually. It is likely that only a few men in Sofia and their backers in the Kremlin know how the balance sheets actually stack up. Though Bulgaria profits off Western trade with the Middle East, its own trade is almost entirely with the Communist bloc.**

It is conceivable that most of the billion dollars that Turkish officials estimate went into destabilization of their country in the 1970s actually came from Bulgarian profits. If so, it was a bargain for the Russians. But the old men in the Kremlin would probably have been quite willing to add subsidies from their own resources to gain maximum impact. Certainly all the help Moscow has given the PLO and all the weapons sent through PLO/Lebanese/Syrian channels to terrorists in Africa and more distant parts of Asia could not have been paid for by narcotics profits alone. Turkish authorities believe that profits from drug traffic still cover most of the cost of Armenian terrorism that has taken the lives of so many Turkish diplomats in recent years.***

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*Neue Zürcher Zeitung, 8 June 1984.
**Neue Zürcher Zeitung, 3/4 June 1984.
***Prof. Tarik Somar, Rector of Ankara University, presented a comprehensive analysis of this possibility at a conference held in Ankara in April 1984, the full proceedings of which are to be published shortly.

Much more could be said about terrorism and drugs in Turkey, for a vast amount of information has come to light as a result of investigations and trials. One of the most important trials began in March 1984 and is still continuing. The prime defendant is the Turkish mafia "godfather", Abuzer Ugurlu, tsar of the drug and weapons smuggling business who long enjoyed the safety and hospitality of Bulgaria and was extradited to Turkey from Germany in early 1981. Turkish investigators have now gathered impressive evidence that Ugurlu was supporting Mehmet Ali Agca and his accomplices when he committed his first spectacular murder in Turkey and was then sprung from the country's highest security prison in 1979.*

The Strategic Purpose

It is hardly accidental that Turkey and Italy, key NATO countries and close allies of the United States, were selected by the Kremlin for destabilization in the 1970s. Turkey guards the straits that lead from the Black Sea into the Mediterranean and its solid land mass blocks Soviet access to the Middle East. Since the Middle Ages Russian tsars had coveted Constantinople (Istanbul). So did Stalin and his successors have not given up this ambition. Italy occupies a strategic position in the center of the Mediterranean, forming, as her President, the tough-minded Sandro Pertini, has said, a democratic bridge to Africa and the Middle East.** But why would Bulgaria, a small country with a population of barely 9 million, set about undermining these two countries, whose combined population exceeds 100 million? There is no good Bulgarian reason, as such, for such behavior. Bulgaria has simply been acting as the agent of the country which holds it captive--the Soviet Union. But for a long time the fact that Bulgaria was small and under tight Soviet control was taken as reason not to take it too seriously--so no one paid much attention to what was going on there. That, we now know, was a mistake. But the Soviets also pushed the Bulgarians into overplaying their hand.

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*The only US newspaper to report these developments is the Wall Street Journal; see its issue of 17 July 1984, p. 34.

**This characterization, along with the observation that terror in Turkey and Italy hardly seemed accidental, was made by the Italian president in January 1981. Moscow immediately protested his remarks, but he refused to retract them, making similar observations on a visit to the United States a few months later.

Exposure of Bulgarian Connections in Italy

In the wake of the attack on the Pope, the Bulgarian position began to unravel at several points at the same time. I have already mentioned the great drug and weapons smuggling ring in the north which Judge Palermo has been exposing. Though Agca claimed to be a loner when he shot the Pope and a massive disinformation campaign was set in motion immediately by Moscow to blame his act, variously, on rightist Turkish Islamic extremists (a combination which, to people who know Turkey, made little sense) or the United States (as overt Soviet propaganda started to claim the very week of the shooting), he gave away during his initial interrogation that he had spent a good deal of time in Bulgaria on the long and roundabout road he traveled to Rome and he also admitted contacts with men who even at that time were known to be part of the Turkish mafia drug and arms smuggling network.

When US General James Dozier was kidnapped in Verona at the end of 1981 (perhaps as part of an effort to deflect attention from the shooting of the Pope), the unraveling of the Bulgarian connection accelerated. The Red Brigades terrorists who did the kidnapping had their own Bulgarian connections. As these were exposed the role of Luigi Scricciolo as a key Bulgarian agent came to light. This man, a respected high official of the Italian socialist labor federation, enjoyed the confidence of western labor leaders and, acting on their behalf, had established close relations with the founder of the independent labor union Solidarity in Poland, Lech Walesa. All the time Scricciolo was reporting to his Bulgarian employers—and through them to the Kremlin--on Walesa and developments in Poland. It was a stunningly successful intelligence operation--while it lasted.

The full story is still not known, for Judge Ferdinando Imposimato has not yet completed his investigation of the Scricciolo affair--there may be ramifications far beyond what we now know. Meanwhile Judge Ilario Martella had embarked on his meticulous 2-1/2 year probe into the background of the plot to kill the Pope and Mehmet Ali Agca--who realized that he was not going to be rescued and wouldprobably be killed by his former "benefactors" if he were--started to talk. Some of what he revealed--all carefully cross-checked--was summarized in the Italian

prosecutor's report I have already referred to. Judge Martella's more complete report will add still more detail and fill further gaps.

In spite of the steady outpouring of disinformation and obfuscation from Soviet, Bulgarian and other communist and communist-subsidized sources (including some in the United States)--and in spite of the gullibility of some Western reporters whose concept of objectivity consists in giving "equal time" to Soviet and Bulgarian disinformation and the conclusions of an independent democratic judicial process--the case against the Bulgarians (and by implication the Soviets) has been growing stronger all the time.

All these developments have led some specialists to examine the past record in depth and what they have found is very impressive. Examples include Nathan Adams' Reader's Digest article, "Drugs for Guns", January 1984, and Vittorfranco S. Pisano's "Clandestine Operations in Italy: the Bulgarian Connection", a fact-filled study which appeared in the Conflict Quarterly, Winter 1984 (Copy attached hereto).

Implications for the Western Hemisphere

What has come to light about the Bulgarian role in drugs and terrorism in Europe and the Middle East has provided a new basis for insight into what has been going on in the Western Hemisphere. Bulgaria obviously enjoys the position of most reliable Kremlin mercenary for activities in Europe and the Middle East. Cuba's role there is very limited. But Cuba has this distinction in the Western Hemisphere and has been active in Africa as well. It is hardly accidental that the same high-level Soviet apparatchik, Nikita Pavlovich Tolubeev, who served as ambassador in Havana from 1970 to 1979, was transferred to Sofia when he left Cuba, and remained four years as top Soviet man on the spot in Bulgaria. What he is doing now we do not know, but he is a close associate of Chebrikov, Andropov's successor as head of the KGB, so he is hardly idle.

Is it little wonder then that we find patterns of drug and arms trafficking leading back to Cuba that are very similar to what we see in Europe? I am told by specialists who have studied the situation closely that both rightist and leftist terrorists have been collaborating for many years in drug and arms trafficking in countries such as Colombia

and Ecuador. Recently information on Nicaraguan Sandinista involvement in drug trafficking has begun to come to light.

What is to be Done?

In any open society exposures of any activity even remotely resembling the subversion and destabilization operations that have been routine in the Kremlin for two decades (and there is a long previous history as well) would lead to public outcry, enquiries, punishments and drastic revision of governmental policies. Let us have no illusion that any such processes are taking place in the Soviet Union--or that any such processes could take place in a country tightly in Soviet grip such as Bulgaria. All that can happen in these countries is that the same policies will be carried out with greater caution, and under an increased smoke-screen of disinformation and protestations of innocence abroad. The aim will continue to be to delude, confuse and intimidate naive or frightened Western publics and leaders.*

If we let ourselves be deceived or intimidated, we will only jeopardize our own security and postpone taking the measures we need to take to defend our interests. These are many. We need more continual alertness and more systematic study of these problems by our intelligence and law-enforcement agencies. We need to ensure that they have the funds and the personnel to to their job. We need to consider retaliation and sanctions too--on the basis of careful, systematic study--against Bulgaria and the Soviet Union too. We need to call their behavior to the attention of international bodies. We need to confront them with the prospect of paying a continually higher price for violating the norms of civilized international conduct. We should not delay in any of these steps, or pull our punches. The Congress has an important responsibility to see that the responsible agencies in the Executive Branch neither delay action nor rest on the comfortable assumption that if we look the other way the problem may take care of itself.

*Disinformation output has increased markedly in recent months. Repeated Soviet efforts to blame the attempt on the Pope's life on the U.S. attracted so little response that tactics were shifted to emphasize alleged Vatican intrigue. This approach has culminated in publication of two books which wittingly or otherwise propagate these themes: David A. Yallop's Investigation into the Murder of Pope John Paul I, New York (Bantam), 1984; and Antoni Gronowicz's God's Broker, New York (Richardson & Snyder), 1984--which, according to the New York Times of 30 July 1984, has just been withdrawn by its publisher as fraudulent.

Senator HAWKINS. Thank you, Mr. Henze.

Mr. Adams.

Mr. ADAMS. Madam Chairman, thank you for the opportunity to appear here. I, of course, have got a statement that you have before you, and I'll be as brief as possible.

When I look at these weapons sitting on this table——

Senator HAWKINS. It is terrifying to me on this side.

Mr. ADAMS. Yes, it is, but you do not have to look further than this room to see part of the problem because if you took an honest poll in this room, I think you would find out that a significant number of the gallery either do or have used narcotics on a recreational basis and have paid for them, and so there is an element of hypocrisy as well, and I think this is important to keep in our minds.

I think it is also important to understand how this system works, and I will read a very brief statement here. It is basically lemonade stand economics. The theory is no more complicated than schoolchildren swapping marbles.

For example, it is no secret the Middle East nations routinely barter oil at bargain prices on the world market for products like technology and other goods and services. So why not drugs?

The equation, a terrorist group or cadre, often with access, with steady supply of narcotics like morphine base, heroin, or cocaine, swaps the drugs for an equal value in weapons, support mechanisms. The weapons broker often deals in drugs as well. In fact, any commodity, including scrap steel makes the exchange.

Oftentimes a third party, Bulgaria or Cuba, for example, lends its facilities as a catalyst. Everyone is satisfied. The terrorist group acquires the needed weapons for cash. The weapons and drug brokers profit accordingly. The surrogate or sponsoring nation accomplishes its goal, which is to clandestinely support such-and-such a group at little cash cost.

Now, we have just recently uncovered evidence that the hexogen explosives that were used to blow up the U.S. Marine barracks, the French Para Headquarters, Dracker, the U.S. Embassy in Beirut, and the series of explosions that took place in Kuwait were acquired by Iranian terrorists through the same system. These are basically criminals who will deal in anything, whether it is hexogen explosives, whether it is an AK–47 rifle, whether it is narcotics, whether it is scrap steel, gold or even Levis. Some of them specialize in certain areas.

This hexogen was acquired by a weapons dealer in northern Europe and it was sold, 300 tons of it, to Iran, and that leaves an awful lot left over. This is something that I think we all ought to keep in mind.

In the end, to add my comments to Mr. Henze's, I was going to go into Noubar Sofoyan and people like this, but there is not time and this is a matter of a record anyway.

The members of this subcommittee, if shorn of the democratic morals and provided with the same goals—consider the system now that we talked about—would be fools not to do the same thing. It is everybody's dream: something for nothing. In the above cases, the "something" factor is, in fact, worth billions of dollars to one participant in this equation, the long-sought-for attainment of political

goals for the other, such as the Soviet Union, such as Bulgaria and Nicaragua and Cuba.

I do agree with Mr. Henze that it is a very carefully conceived conspiracy. There is no question about it.

What then to do about it? Where is the system vulnerable? Certainly you cannot expect our friends dealing with the Kremlin, Sofia, Managua, and Havana, to help us. When national like Austria—she provides many of the transfer and accommodation accounts for State support organizations like Kintex—refuse even to take modest action against the Soviet Union for the downing of the Korean airliner, you are not going to expect her to stand tall against Bulgaria.

Nor considering the present climate can we expect the West German Bundestag to take an outraged action. Only Turkey, Italy, and Colombia, among the Western nations most affected so far, have taken stringent countermeasures.

Yet there is a choke point, one area of vulnerability.

For the most part, the key factors in the drugs-for-guns formula are figures in the underworld. Leaders of insurgent groups and terrorist gangs only occasionally swap heroin with the true source of the weapons. They deal through brokers, underworld middlemen vastly more familiar with such barter arrangements.

For example, weapons delivered to Iranian terrorist factions in Europe frequently reach them through underworld brokers. I cited the example of the hexogen explosives. These men represent the most vulnerable section of the arms or drugs pipelines. Most have criminal records and are well known to European and Middle East law enforcement agencies, as is their modus operandi.

What is lacking is sufficient advance intelligence of their activities. In the case of the United States, only the Drug Enforcement Administration has managed to effectively penetrate the pipeline. Unhappily, our intelligence agencies have been extremely reluctant to deal with such underworld figures, preferring sources who often lack the access and expertise.

Unquestionably, the weakest links in the chain are these. Were they to be severed, the ease with which terrorist groups acquire weapons and support for drugs would, I believe, be complicated. Thus a major coordination effort between U.S. Federal law enforcement agencies like the FBI, U.S. Customs, the DEA should be even more closely linked with the appropriate functions of the Central Intelligence Agency so that there is an even greater exchange and flow of intelligence data.

Meanwhile, as much pressure as possible should be brought upon those friendly nations which allow their territories and/or laws to be abused by terrorist connected weapons and drug brokers.

Austria, for example, might not be expected to stand tall aqainst Bulgaria, but she could and should take the action against arms and drug middlemen in her own midst. The same could be said for Switzerland, which to my own knowledge presently harbors two of the most important weapons brokers in the world, one on so-called "political refugee" status. Incredibly, illegal weapons traffic is not considered by Kantonal law an extraditable offense in Switzerland. Thus, it is unlikely that either of these two figures will ever stand trial in the nations whose security they have so severely affected.

Meanwhile, both continue doing business with Middle East terrorist factions.

In my opinion, these hearings are an important first step in helping focus the attention of our voters, as well as our partners in Europe and this hemisphere squarely on an issue which for nearly 20 years now has gone unnoticed.

It is also interesting to note, departing from the statement here, that coconspirator Bekir Celenk in the plot to assassinate the Pope had very close links to Los Angeles. His partner lived in Los Angeles. They trafficked narcotics into California, using any one of 17 vessels the two of them controlled. So you can see that there is a relationship that expands all over the world, that you are not simply talking about the attempted assassination of the Pope, but running drugs into Turkey. It happens here.

With two or three exceptions, this nation has escaped terrorist incidents on the level experienced by European and Middle East nations, but most of my sources warn us that our time is coming. We will not be confronted by maladjusted youths who put cherry bombs in toilet bowls and then call in a warning 45 minutes prior to detonation. We will be dealing with terrrorists prepared, in fact even hoping, to die.

All of our SWAT teams, all of our FBI hostage rescue units mean nothing. They can hardly prevent massive explosions or assassinations, such as the ones that claimed the lives of our Marines in Lebanon.

Advanced intelligence is the most critical element preventing such attacks. Choking off the arms and drug pipelines is another. As the innocent victims of terrorism increase the world over, it would seem that there is not much time to lose.

[The prepared statement of Mr. Adams follows:]

STATEMENT OF NATHAN M. ADAMS

SENIOR EDITOR OF READER'S DIGEST

AUGUST 2, 1984; ROOM 428 DIRKSEN SENATE OFFICE BUILDING

BEFORE THE SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

Mr. Chairman, members of the subcommittee, thank you for the opportunity to appear before you to discuss the connection between drug trafficking and international terrorism.

As a senior editor of Reader's Digest, I have been assigned to investigate just such relationships over the past several years. In July 1982 we published "Havana's Drug-Smuggling Connection" which first detailed the links between high-ranking Cuban officials and the traffic in cocaine and marijuana. Last November we published "The Bulgarian Connection" which disclosed how the Bulgarian state security apparatus, the Darzavna Sigurnost, and its import-export surrogate KINTEX controlled or abetted a major portion of the drugs-for-guns operations in the Middle East.

Our investigations have shown that there is indeed a direct relationship between certain international terrorist groups and political cadre to key narcotics and weapons suppliers. Among these groups are:

* The Colombian M-19 organization.

* Both right-wing and left-wing Armenian terror factions -- the Justice Commandos and the Armenian Secret Army (ASALA).

* PLO as well as Christian armed factions in Lebanon.

* Leftist Kurdish insurgents operating on the borders of Turkey and Iraq.

* The Basque terrorist organization (ETA).

* The Burmese Communist Party (BCP).

The states which support these groups and feed them either directly, or indirectly through surrogates, must include Bulgaria, Cuba and -- a step removed -- the Soviet Union. Each has -- and does -- serve as an important catalyst in the relationship between selected terrorist organizations and states on the one hand and brokers in weapons and drugs on the other.

It is important to understand how and why these relationships grew to the point that they have reached today. Basic lemonade-stand economics has as much to do with the terrorist-arms-drug connection as anything. The theory is no more complicated than schoolchildren swapping marbles or baseball cards in a game controlled by others. For example, it is no secret that Middle East nations routinely barter oil at bargain prices on the world market for products like technology and other goods and services. Why not drugs?

Thus the equation: a terrorist group or cadre -- often with access to a steady supply of narcotics like morphine base heroin or cocaine at or near the actual source -- swaps the drugs for equal value in weapons, support mechanisms, etc. The weapons broker -- he often deals in drugs as well, in fact, any commodity including scrap steel -- makes the exchange. Oftentimes, a third party -- Bulgaria or Cuba, for example -- lends its facilities as a catalyst. Everyone is satisfied: The terrorist group acquires needed weapons or cash; the

weapons and drug brokers profit accordingly; the surrogate or sponsoring nation accomplishes its goal, which is to clandestinely support such-and-such a group at little cash cost.

There are, of course, a myriad of variations of the equation. For example, a Christian minority faction in Lebanon wishes to equip a private army. In this case, they become the traders of the narcotics for arms. Bulgaria, charged with fomenting unrest in the Middle East, sells the weapons through its export-import enterprise KINTEX to a drug smuggler who in turn makes the actual swap -- often at a healthy profit. KINTEX can either accept drugs directly as payment for the weapons or facilitate logistics with transport and warehousing until the narcotics reach their destination: a conversion laboratory in Sicily or, in the event the medium of barter is pure heroin, distributors in Western Europe or the U.S. But the service is not free. Presently, the price is $5000 per kilo payable in cash to KINTEX.

Presently, M-19 -- the Colombian Cuban-supported guerrilla movement -- may acquire more than 60 percent of its weapons and equipment through the barter medium of cocaine. On the other side of the globe, the Burmese Communist Party, which controls as much as 40 percent of the opium-growing areas, may finance their political and armed activities with drugs to the extent of 80 percent. Armed Christian factions in Lebanon -- specifically, those private armies under the control of the pro-Syrian Frangieh family in the Bekaa Valley -- rely on narcotics for as much as half of their treasury.

Meanwhile, in Turkey, more than 60 percent of the weapons reaching Kurdish dissident leftists are acquired through the sale or trade of heroin and morphine base, with KINTEX and Bulgaria often serving as the arms bazaar. And Armenian terrorist groups of both the left

and the right were estimated a year ago to be 90 percent financed through the sale or barter of narcotics.

No better example can be found than the case of Noubar Soufoyon, a notorious Armenian drug trafficker now believed sheltering in Lebanon. In the past, Soufoyon -- he is capable of dealing as much as 100 kilos of heroin at a single time -- has helped finance both Armenian terrorist factions with the profits from drug sales. Not only because he is an Armenian, but in the topsy-turvy world of terrorism in Lebanon, it is good business practice not to become too closely identified with any one faction -- at least not in Soufoyon's case.

In 1977, for example, he was convicted in Switzerland of the financing of a series of bomb attacks against Turkish financial and cultural establishments in Zurich the year before. Given a slap-on-the-wrist sentence of 15 months in prison, he was released and banned from Switzerland for five years. In October of 1979 he was linked to the assassination of the son of the Turkish ambassador in The Hague. On June 21, 1981, he was indicted in New York for importing heroin. In August of the same year, he is alleged to have imported 100 kilos of heroin, this time to Los Angeles, where he maintained a house worth $350,000 and had invested in other properties worth nearly a half million dollars. Indeed, one of his associates, who has since been extradited to Sweden on drug charges, lived only 100 yards from President Reagan's daughter Patti.

Soufoyon also controlled several smuggling vessels registered to a front shipping company in Beirut. These were used to ferry weapons like KINTEX-purchased Kalashnikov assault rifles and RPG rocket grenades to private armies in Beirut -- most frequently, but not strictly,

Armenian and right-wing Christian factions. The exchange medium was heroin, often refined in laboratories located in Syrian-controlled areas. Delivery was controlled by the Palestinian Liberation Organization (PLO) whose representatives charged as much as $10,000 a kilo.

On September 26, 1981, Soufoyon -- he was the subject of an INTERPOL alert -- was arrested in Athens, Greece. The United States filed for extradition. While it awaited a decision from Greece, Soufoyon's associates threatened to kill not only the U.S. ambassador but drug enforcement agents as well unless he was released. He had actually hired a team of terrorists from Lebanon to break him out. If successful, they were to receive 50 kilos of heroin as payment. Despite the protestations of the American ambassador, Greece chose to extradite Soufoyon to Lebanon (Greece does not have an extradition treaty with this country) where he was, predictably, released upon arrival.

Our last report was that Soufoyon had circulated a story that he had been killed by Israeli shell fire. But he is still in business and still finances Armenian terrorists through his sales of drugs. Perhaps most interesting, however, are Soufoyon's links to other terrorist brokers. Our investigation, for example, revealed that he had purchased a motor vessel, the "Lucky Star II," from the same Piraeus-based shipping company that sold smuggling boats to Pope assassination conspirator Sekir Celenk. Celenk's partner, Mehmet Cantas is yet another known purveyor of weapons and drugs to terrorist groups in Lebanon and to Turkish Kurds.

At the time of his arrest in Switzerland last year -- he has since been extradited to Italy to face guns-for-drugs charges -- he also resided in Los Angeles where he operated a "boutique" in nearby Newport Beach. In reality, both he and Celenk controlled a large portion of heroin entering the Federal Republic of Germany and Great Britain. To say nothing about what the two managed to smuggle into the United States on board some of the 17 ships which were under their control.

Celenk, of course, is presently under "house arrest" in Bulgaria. The point here, however, is the illustrated links between (a) a supplier of weapons and explosives to Armenian terrorists, (b) a co-conspirator in the plot to murder Pope John Paul II, (c) the Bulgarian intelligence apparat and KINTEX, to which both Soufoyon and Celenk were connected -- most likely as a source of arms purchases with drug proceeds.

Yet another customer of the Celenk/Soufoyon-tied shipping company was Sallah Wakkas, who was indicted for his role in a massive guns-for-drugs operation in northern Italy. Now awaiting trial in Italy, Wakkas was one of KINTEX's most important customers and a key supplier to Lebanese and Middle East terror groups.

What emerges here is a series of interlocking relationships among those who, for a price, arm and equip terrorist groups, not out of political credo but out of simple greed and a smuggler's business sense. Thus, there is not one massive organization which supplies terrorist elements but a rather loose consortium of heroin and arms brokers who have access to narcotics transport and the arms bazaars of KINTEX. Unlike the Celenks, the Cantases and the Soufoyons, Bulgaria and KINTEX do act out of political aims -- a scheme to aid and abet terror groups and cadre in the Middle East which was hatched as early as 1967 in the Kremlin with Sofia acting as the Soviet surrogate, or "cut-out."

The guns-for-drugs organization uncovered in Northern Italy in November of 1982, was brokered by another long-time heroin and morphine base smuggler, Syrian-born Henri Arsan. Over 200 individuals were indicted for their roles in the massive, $billion conspiracy. In addition to Sallah Wakkas, others included Papal assassination co-conspirator Bekir Celenk and his Los Angeles-based partner, Mehmet Cantas. Both Cantas and Celenk provided vessels for the transport of tons of weapons intended for groups operating from North Yemen to Turkey. Celenk, Cantas, Arsan, and Wakkas were all linked to KINTEX. Add to these, then, the Armenian terrorist supplier and broker Noubar Soufoyon plus his Lebanese clients and you have some idea of the scope of what was taking place.

Is there a difference between Noubar Soufoyon and Bekir Celenk and, for example, Jaime Guillot Lara who brokered arms and cocaine on behalf of Cuba and the Colombian M-19 organization? Not really. Cuba supplied, for both profit and destabilization purposes, safe haven and passage for Lara cocaine and marijuana. In return, Lara shuttled weapons from Cuba to the Castro-supported M-19 guerrillas.

While Lara was motivated mostly by profit, another consideration might have been the fact that M-19's leader, Jaime Bateman, had promised him a role in forming a Marxist government in Colombia once that nation's legitimate leaders had been overthrown. But at the bottom of it, Jaime Guillot Lara was no more Marxist than the Pope. He was a profiteer. Cuba and M-19, he hoped, would earn him millions.

In November 1981 Lara was arrested in Mexico City and held pending extradition hearings with the U.S. where he had been indicted for his role in the smuggling scheme. Largely because of the political undercurrents and Mexico's desire to improve relations with Cuba, he was released in September of 1982. Today he is reportedly in Nicaragua.

A more recent example concerns the Escobar cocaine network's dealings with the Sandinista regime in Nicaragua. Managua, like Havana, like Sofia, like Moscow, is perfectly ready to provide whatever it takes to accomplish its goals -- in this case, to further the cocaine trafficking network which already is a self-supportive vehicle for destabilization. The cost for such services? Not much. A girl here or there, a few steak dinners, a gunboat or two for security, the use of an air base and some troops to help transfer the narcotics. Considering what it costs the U.S. to protect against such traffic,

considering the mayhem it can cause by supporting terrorists and insurgents in target nations like Colombia, it's a bargain to top all bargains.

Members of this subcommittee, if shorn of democratic morals and provided with the same goals, would be fools not to utilize the same system. It's everybody's dream: something for nothing. In the above cases, the "something" factor is, in fact, worth billions of dollars to one participant in the equation, the long-sought attainment of political goals for the other.

What, then, to do about it? Where is the system vulnerable. Certainly we should expect no help from our friends in dealing with the Kremlin, Sofia, Managua or Havana. When nations like Austria -- she provides many of the transfer and accommodation accounts for organizations like KINTEX -- refuse even to take modest action against the Soviet Union for the downing of the Korean airliner, we can hardly expect her to be more forceful. Nor, considering the present climate, can we expect the West German Bundestag to take outraged action. Only Turkey and Italy and Colombia -- among the Western nations most affected so far (outside of ourselves) -- have taken stringent countermeasures. Yet there is a chokepoint, one area of vulnerability.

For the most part, the key factors in the drugs-for-guns formula are figures in the underworld. Leaders of insurgent groups and terrorist gangs only occasionally swap heroin with the source of the weapons. They deal through brokers, underworld middlemen vastly more familiar with such barter arrangements. For example, weapons delivered to Iranian terrorist factions in Europe frequently reach them through underworld brokers. The hexogen explosives used against our embassy

in Kuwait, for another example, were actually acquired and delivered by an underworld weapons broker in a northern European capital.

These men represent the most vulnerable section of the arms or drugs pipelines. Most have criminal records and are well known to European and Middle East law enforcement agencies, as is their modus operandi. What is lacking is sufficient advance intelligence of their activities. In the case of the United States, only the Drug Enforcement Administration has managed to effectively penetrate the pipeline. Unhappily, our intelligence agencies have been extremely reluctant to deal with such underworld figures, preferring sources who often lack the access and expertise.

Unquestionably, the weakest links in the chain are the Noubar Soufoyons, the Mehmet Cantases, the Guillot Laras. Were these links to be severed, the ease with which terrorist groups acquire weapons and support for drugs would be, I believe, tremendously complicated. Thus, a major coordination effort between such U.S. federal law enforcement agencies as the FBI and the DEA should be even more closely linked with appropriate functions of the Central Intelligence Agency so that there is an even greater exchange flow of intelligence data.

Meanwhile, as much pressure as possible should be brought upon those friendly nations which allow their territory and/or laws to be abused by terrorist-connected weapons and drugs brokers. Austria, for example, might not be expected to stand tall against Bulgaria. But she could, and should, take action against arms and drug middlemen in her own midst. The same could be said for Switzerland which, to my own knowledge, presently harbors two of the most important brokers -- one on so-called "political refugee" status. Incredibly, illegal

weapons traffic is not considered, by Kantonal law, an extraditable offense in Switzerland. Thus, it is unlikely that either of these two figures will ever stand trial in the nations whose security they have so severely affected. Meanwhile, both continue doing business with Middle East terrorist factions.

In my opinion, these hearings are an important first step in helping focus the attention of our voters, as well as our partners in Europe and this hemisphere, squarely on an issue which, for nearly 20 years now, has gone unnoticed.

With two or three exceptions, this nation has escaped terrorist incidents on the level experienced by European and Middle East countries. But most of our own sources warn us that our own time is coming. We will not be confronted by maladjusted youths who put cherry bombs in toilet bowls and then call in a warning 45 minutes prior to detonation. We will be dealing with terrorists prepared -- even hoping -- to die in the act. All our SWAT teams, our FBI hostage rescue units will do nothing to prevent massive explosions or assassinations such as the one which claimed the lives of our Marines in Lebanon.

Advance intelligence is the most critical element in preventing such attacks. Choking off the arms and drugs pipelines is another. As the innocent victims of terrorism increase the world over, it would seem that there is not much time to lose.

Senator HAWKINS. Thank you very much for your statement and your warning, Mr. Adams.

Could you explain to me why Stefan Sverlev could not testify here today?

Mr. ADAMS. Mr. Sverlev, who cooperated with us to a great degree in tying the plot directly with the Kremlin in a meeting that took place between Warsaw Pact security heads of 1967, of course, was identified in our story. One of the agreements that have been made between Greece and Bulgaria, as I understand, at the time of his defection was that Sverlev would limit his comments to polemics rather than facts, and when he disclosed the nature of the document to us, the Bulgarians took action.

His wife and son, Sergi, disappeared approximately 10 days after our November issue reached the stands. There are several opinions on this, whether she was kidnaped, lured to see her aged mother who was coming in from Bulgaria and kidnaped, or in fact had planned to leave Colonel Sverlev at an earlier date and at a later date perhaps this was delayed to coincide with our story because the Bulgarians denied our story the day upon its release. This was October 25 in Europe, and during that denial, they mentioned that Colonel Sverlev had never been a colonel in the state security apparatus, that he had been merely a fact totem and was merely a thief, which is not true.

But 10 days after this denial, Mrs. Sverlev appears in Sophia to say how wonderful things are in Bulgaria and how she has always respected her home and so has her son. Her son had not wanted to go, incidentally. The conductor on the train who saw them traveling from Munich to Vienna reported that the young child—I believe he was 9 years old, 9 or 12—was vehemently arguing with his mother. This is why Stephen Sverlev will not testify here, because they have his wife and they have his son.

Senator HAWKINS. Thank you. If you will wait just one moment at the table, I will ask you questions in just one moment. Judge Imposimato is on the telephone from Rome, Italy. We have a translator, Mr. Marco Civera, who will translate his statement.

May I swear you in, Mr. Civera?

[Whereupon, Mr. Marco Civera was duly sworn.]

Senator HAWKINS. Please be seated and be our translator, Mr. Civera, for the record.

Proceed. Does the Judge have a statement?

Judge Imposimato [translated by Mr. Marco Civera]. In the first place I wish to extend my greetings to this subcommittee with whom I wish fruitful work. I am sorry that I am not able to speak about facts that are committed to me as a judge because such events are covered by secrecy during the investigation process.

I can, therefore, only make statements of a general character. These statements are, however, based on knowledge of facts that are certain.

My experience as an examining magistrate in trials dealing with terrorism and organized crime, allows me to state that there is no doubt whatsoever, no doubt about the connection between drug traffic and terrorism in Italy. In fact, judicial investigations carried in some Italian cities, such as Rome, Milan, Palermo, Naples, have ascertained that in Italy there is a powerful organization in drug

trafficking that has also political aspirations, and this organization, which is an international organization with political inspiration that since 1978 has been implicated in intense traffic, international traffic, of base heroin and morphine.

This criminal organization is different from the Mafia, and it has profound roots in our country, and it branches out in several directions, and it is headed mainly by Turkish, Syrian, Greek, and Lebanese criminal elements. This organization, unlike the Mafia, does not have as a goal to enrich their associates, but it aims mainly at destabilizing our country politically, economically, and socially.

But how does this happen? In two ways. The first consists in the diffusion through a great many layers of the younger segment of the population of heroin and drugs. I will say that in Italy through the years the use of heroin has caused many more victims than terrorism itself. In 1983, in Italy, there have been over 300 victims of the use of heroin as compared to very few victims of terrorism.

The second manner in which this international criminal organization attempts to destabilize Italy is by financing terrorist groups of the extreme right through the income of the drug traffic. I must add that this international organization of drug traffickers enjoys the cooperation or the complicity of some countries of Eastern Europe. It has, in fact, been verified that there are countries which not only allow the transit through their territory of vehices loaded with drugs, vehicles that come from Turkey or Lebanon or Syria, but they also give hospitality, shelter to some of the chiefs of international drug traffic.

Suffice to remind ourselves of the case of the Turkish trafficker Celenk. He is the object of a jailing order, issued by an Italian judge in 1982. Now, this gentleman, Bekir Celenk, has already spent years in the Bulgarian shelter where he is afforded protection by the authorities of that country.

I have thus finished my statement, and I am ready to answer any questions that you might want to ask me.

Senator HAWKINS. What, in the judge's opinion, is the origin of the heroin entering Italy? From what country does it originate?

Judge IMPOSIMATO. The heroin that we find in Italy that is sold through this organization with a political imprint comes mainly from Turkey, Syria, and Bulgaria. It comes by land routes through Eastern Europe, through Turkey, Yugoslavia, Bulgaria, until it reaches the Italian borders, and it also comes by means of powerful boats by sea to the limit of Italian territorial waters where the merchandise is then picked up by Italian-based terrorist and criminal organizations.

Senator HAWKINS. What is the judge's feeling about the connection between narcotics and money laundering?

Judge IMPOSIMATO. My experience allows me to state that certainly there is a connection between drug trafficking and money laundering. In this sense, as far as Italy is concerned, money that comes from many criminal activities, such as kidnapping, extortion, robbery, burglaries on the large scale, whatever is invested in the traffic of heroin, the money that comes out of commerce of drugs is enormous, is an enormous amount, with perhaps profits that may reach 1,000 percent with respect to the capital that was invested.

Drug traffic is also connected with weapons traffic. It is true that there is a connection between drug traffic and large caches that are dealt with, of weapons, especially as far as Middle East countries are concerned. And often money that comes from drug trafficking is invested in very powerful weapons, murderous weapons, such as Kalatchnikov and other types.

Now this concludes my answer.

Senator HAWKINS. We thank the Judge very much. He is well respected throughout the world on the subject of drugs, terrorism, and drug trafficking, and we appreciate very much his taking time from his busy schedule to add to our record. Would you tell him we wish him much safety, good health, and are looking forward to hearing him again.

Judge IMPOSIMATO. Thank you, and may your work be fruitful, and maybe we will see you in the United States.

Senator HAWKINS. Thank you very much. That will be a very interesting addition to the record.

We will now turn back to the questions for Mr. Henze and Mr. Adams.

Mr. Henze, in 1978, a massive arms shipment to South Africa aboard the ship *Sara Polson* was reported to have been arranged through the Bulgarian Kintex officials. How, in your opinion, can the Bulgarians continue to protest noninvolvement in drug financed terrorism when it is proved to the contrary?

Mr. HENZE. Well, we have a long, long record, of course, of Communist countries absolutely denying what is well known, proven, and it is a method of simply trying to put up a smokescreen. They shout louder and louder when they are confronted with the truth.

We do have an impressive amount of evidence that goes way back to the very early 1960's of Bulgarian involvement with arms trafficking in many, many directions, including the Far East—Vietnam. Very recently, of course, we find the Bulgarians in the picture in the Caribbean, shipping things to Nicaragua and Guyana, and other places there.

The Bulgarians are utterly mercernary. If there is real profit to be made and if it involves destabilizing a situation where there are no vested Communist interests, they will engage in it, and the South African example, I think, is a very interesting one here.

As much as the Communist countries all agitate against South Africa, they are perfectly willing to engage in deals that are profitable to them because this is justified in terms of the "higher morality," of which our Nicaraguan friend testified today, that there have to be exceptions because in fighting the anti-Communist elements in the world, in pushing their own cause, all sorts of things are justified if the people in charge say they are justified.

We see this particularly at the present time in the enormous disinformation campaign which the Bulgarians and the Soviets have organized to try to deflect the growing body of evidence of their direct involvement in the plot against the Pope. Of course, this involves an enormous body of evidence, as Judge Imposinato and others in Italy have been uncovering, of involvement in a wide range of things in which the plot against the Pope in many ways is really only the smallest, albeit the most atrocious part.

This goes on in our own country. I have no way of knowing what the figures are, but I know that the Bulgarian Embassy here in Washington has been sending out vast quantities of utterly mendacious propaganda attacking our Government from every conceivable point of view, attacking officials up to and including President Reagan and attacking officials of the previous administration, labeling me a murderer, claiming that I organized the attack against the Pope, claiming that Claire Sterling—who is, along with myself, the principal investigator of the case over a considerable period of time—organized the Red Brigades in Italy and was engaged in all sorts of nefarious activities there.

This is a measure of the extent to which these people go. Of course, it is so extreme that I do not think it convinces very many people, but one must never be surprised. It goes back to the old Goebbels principle that if you are going to tell a lie, you might as well tell a big one and tell it vigorously and tell it over and over again. You have at least a better chance that somebody may believe it.

Senator HAWKINS. The Turks have cataloged the weapons that they have confiscated from terrorists since the military took over in 1980, Mr. Henze, and have determined that bank robbery financed the purchase of only about 2 percent of the weapons. In your opinion, where does the rest of the money come from?

Mr. HENZE. Yes, Madam Chairman, my information is that robberies really financed only a very, very small portion of these expenses. The rest of the money seems to have come in from the outside.

Something is known about channels through which it came, but of course, it is in the nature of this sort of business that it is very difficult to pin it down. What we do know is that money was brought in to Turkey legally through channels linked to Turkish workers in Europe. The people supporting terrorism in Turkey had the enormous advantage of having a million and a half Turks resident primarily in Germany, but in Austria, Switzerland, Belgium, France too, and these people, of course, do travel back and forth. They do send their own earnings back to their families, but in the framework of all of this, you can secrete a great deal of money and cover it in other ways. So some money came in in this way.

There is also concrete evidence of Soviets and Bulgarians in Turkey actually delivering money to terrorists by a black bag, in other words, just having a bag full of money and delivering it to somebody, but very little of it seems to have come in in this fashion. Most of it was done more carefully, but I suppose there were at times high priorities and they had to get money out fast. So the money was simply carried by a Soviet Embassy officer and turned over.

But the majority of the funds, of course, really cannot be accounted for in any positive sense. What can be demonstrated is that there is no source for them inside the country. The total number of robberies just does not begin to add up to the amount of money needed. There was very little extortion in Turkey from businessmen.

So if you cannot find the source and nevertheless the money is there and been spent, you know that it had to come in in some secret way.

Senator HAWKINS. Mr. Adams.

Mr. ADAMS. The same has been made before that 60 percent of the weapons that found their way into Turkey came from or were acquired through narcotics, the exchange of narcotics. This is particularly true in the Kurdish areas, the Eastern Province particularly with individuals like Mousta Fubyron, with Abuzer Ugurlu, who is now in prison for his weapons trafficking activities and has, of course, been linked in the plot against the Pope. Abuzer Ugurlu almost singlehandedly armed many of the Kurds in the Eastern Province, again, through the exchange and barter means of narcotics and the assistance of Kintex, the Bulgarians.

I just wanted to make a comment on that.

Senator HAWKINS. Thank you.

Mr. ADAMS. Mr. Henze is right. Bank robberies just are not enough.

Senator HAWKINS. Mr. Adams, it has been reported that Bulgaria, through Kintex, has exported massive arms shipments to 36 countries and the PLO. Do you feel that is an accurate number, close?

Mr. ADAMS. Oh, in terms of countries, yes, I think it is accurate, but it does not begin to broach the number of groups that they support. I would mention the Franjieh family, for one, in Lebanon, which is a Christian faction, which is very closely allied with Syria, and of course very anti-Gemayel, and the Franjiehs routinely trade narcotics for weapons.

PLO, yes, I believe the Israelis determined after their Peace in Galilee operation in Lebanon as many as 40 percent of the weapons that they recovered had originally come from either the Port of Bourgas or Varna in Bulgaria. These were, of course, weapons that were found in PLO arms dumps in Lebanon.

But I would agree with that statement. Yes, I would say that 36 countries definitely, and I think you can double that with the number of groups that are purchasing weapons from Kintex.

Senator HAWKINS. Mr. Adams, do you agree with the estimate that 50 percent of the heroin consumed in Western Europe and much of that used in the United States passes through Bulgaria?

Mr. ADAMS. Yes, I do. I think it may have shifted downwards somewhat because of the patterns in narcotics trafficking. There has been a definite shift in this. Bad crop years, for example, in the Golden Triangle had shifted production to the Golden Crescent, which is, of course, Pakistan and Afghanistan, and the narcotics that would normally be grown, in other words, refined and grown, in Burma and the Golden Triangle would probably exit out of Singapore, Bangkok, Hong Kong, Manilla, but when they had bad back-to-back growing years, the emphasis on growing the crop shifted to Pakistan, and of course, this reopened the old trafficking routes that went through Turkey, and of course, this gave Bulgaria an opportunity to cash in.

Now, that has shifted back again somewhat. So I do not believe as much of the narcotics are moving through Bulgaria simply because of availability as they used to. I believe the figure has been

mentioned of 10 percent that comes to the United States which transits Bulgaria. I think that is conservative. I would put it in the area of between 15 and 20 percent in terms of heroin because you must remember that much of the narcotics that transits Bulgaria does so in the form of morphine base, which is then sent on to a lab in Sicily or Northern Italy and converted to heroin, which then comes to the United States. I think the 10 percent is a low figure, but it used to be higher. I would say 50 percent in Europe is true.

Mr. HENZE. Could I offer another observation?

Senator HAWKINS. Surely.

Mr. HENZE. I want to associate myself with what Mr. Adams has said.

My recent information indicates, however, that while a considerable amount of the narcotics may not actually physically go through Bulgaria, that basically it goes into the same network. So the Bulgarian support of this network, which has become a truly sort of international cartel, a multi-national organization with many different ramifications, continues; the net result is essentially the same.

The Italians, of course, have cracked down on many aspects of this operation in Italy, but I am told that there is substantial evidence now of involvement in countries such as Cyprus and Greece, and use of other more indirect channels, for example, through Central and Northern Europe.

So I think we are dealing here with something that you grab on one side and you find that it has moved off on the other side, and this is very typical of the pattern in general.

Obviously as far as arms traffic is concerned, there is less going now, very little going to Turkey, but some; less going to the PLO, but arms continue to flow in various other directions. There seem to be plenty of consumers, and if you make arms available, you can cause a good deal of commotion in a lot of places.

So I suspect there may be arms at the present time moving into places that have not been high on the priorities list for some time, such as Egypt, Sudan, and places in the Arabian Peninsula.

Senator HAWKINS. We thank both of you for your contribution to this record. You are experts, and we will look forward to working with you in the future.

As has been established in the record we present today, nothing threatens civilization more than the lethal partnership of drugs and terrorism. It brings death to our citizens, disrupts our economies, victimizes our children, threatens our national security, and is attempting to destroy our very society.

In his eloquent speech before the Jonathan Institute, Secretary of State George Shultz called for 1984 to be remembered as the year we would look back and see as the turning point in our struggle against terrorism. We know it is destructive. We know it has got to be stopped. We have seen it in testimony today from various members of the international community, that everyone on earth is affected by this unholy alliance.

No nation on Earth is immune to the effects of drug financed terrorism. We have found out today, perhaps to many Americans' surprise, that we in the United States are among the primary victims

of terrorist activity in the world, and must therefore be among the prime movers in stopping this scourge.

So it is my challenge today to each of us to make 1984 the year that we came to grips with the problem of drug financed terrorism and were able to deal with it effectively and responsibly, and in doing so, we will have achieved the goal of preserving what drug traffickers and the terrorists seek to destroy: democracy, freedom, and the hope for the world of peace.

Thank you very much. This concludes the hearing.

[Whereupon, at 12:13 p.m., the subcommittee was adjourned.]

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